

# The NATIONAL UNDERWRITER

*Life Insurance Publication*

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*In the Public Eye—*



During 1939 The Great-West Life is conducting a program of outdoor advertising in a large number of the principal cities in the United States and Canada. The above display is typical of the many attractive posters appearing during the summer season.

*The* **GREAT-WEST LIFE ASSURANCE COMPANY**  
HEAD OFFICE WINNIPEG

*Business in Force \$613,700,000*

FRIDAY, JULY 28, 1939

*"It is our objective to provide our field representatives with all necessary tools, tangible and intangible, with which success is achieved in insurance selling."*

*P*rogress involves change — economically and socially! General American Life recognizes this dynamic factor in insurance selling by offering — through its multiple-line coverage, a flexible program of life, salary savings, accident and health and group insurance, geared to present day conditions.

Examples are to be found in these recent additions to the General American Life Multiple-line Sales Kit:

★ **The Progressive Hospital, Nurse and Surgical Expense Health Policy**

★ **Employee and Dependents Group Hospitalization and Surgical Procedure Benefits Insurance**

Two forms of protection that appeal to large groups of wage-earning people and open up vast new profit-making opportunities for our agents.

Assets in excess of \$125,000,000

## **GENERAL AMERICAN LIFE INSURANCE COMPANY**

WALTER W. HEAD, *President*  
St. Louis, Missouri



**MULTIPLE LINES:** Participating • Non-Participating • Salary Savings  
Juvenile • Sub-Standard • Annuities • Commercial Accident & Health  
Group Life • Wholesale Insurance • Group Accident and Sickness  
Group Accidental Death and Dismemberment • Employee and  
Dependents Group Hospitalization with Surgical Procedure Benefits

# 93 YEARS of DEPENDABLE PERFORMANCE

**Form Q**

**Form R**

**Form S**

**Form T**

**Form TD**

**Form V**

**Form W**

**Form X**

**Form Z**

These are the symbols of the liberal and flexible forms of income settlements or trust agreements offered by The Connecticut Mutual.

These symbols mean—

**To the policyholder** — the best possible financial protection for himself or for his loved ones.

**To the beneficiary**—a regular guaranteed income which may be everything in the world to a family.

**To the agent**—a marvelously complete and invaluable set of sales tools and a means of rendering complete service to his clientele.

## **CONNECTICUT MUTUAL**

**LIFE INSURANCE COMPANY • HARTFORD**



# The NATIONAL UNDERWRITER

Forty-third Year—No. 30

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, JULY 28, 1939

\$3.00 Per Year, 15 Cents a Copy

## Colorful Setting for Northwestern Mutual Gathering

### Shaping the World of Tomorrow Is Theme— Leaders Honored

MILWAUKEE — In a colorful setting the annual meeting of the Northwestern Mutual Association of Agents was held in the auditorium of the home office building here this week.

Clarence Smith of Chicago was elected president of the agents' association at the final session, succeeding C. B. Buckley, Springfield, Mass. B. J. Stumm, Aurora, Ill., is the new vice-president and Stephen Klarer, Milwaukee, secretary-treasurer.

Aaron Finkbinder, Philadelphia, hold-over member, becomes chairman of the standing committee. New members are Westley Tuttle, Milwaukee; Alden Smith, Nashville; Bert Boyd, Kansas City, and F. A. Morse, South Bend, Ind. The General Agents Association elected M. A. Carroll, Oshkosh, Wis., president; Myron Williams, Seattle; Rudolph Recht, New York, and Ernest Crane, Indianapolis, vice-presidents; Roger Clark, Pittsburgh, reelected secretary-treasurer.

In his welcome G. Brady Buckley, of Springfield, Mass., association president, explained that the convention theme, "For Many We Shape the World of Tomorrow," was chosen to make the agent pause and think, to realize that it applies not only to the problems of the prospect or client and his dependents, but with greater and more personal emphasis to the prospective tomorrows of the agent and his dependents.

"For unusual as these times may be, we must accept them as normal," Mr. Buckley said. "They are our working conditions of today and it is what we do today which will shape our worlds of tomorrow. We must meet today's selling conditions with renewed convictions and enthusiasm, with a re-emphasis on the simple fundamentals underlying the sales presentation, and with a revitalized, aggressive, militant spirit."

Tribute was paid to the agency force by Grant L. Hill, director of agencies, in his opening talk in which he also introduced the company's production leaders who qualified for honors and prizes. This group, led by E. M. Lillis, Erie, with \$1,002,232 for the largest volume of new business personally written in the company, and Lewis Stearn, Minneapolis, with 178 lives for the largest number, was announced last week. In responding for the honor agents, Mr. Lillis said the life underwriter must have faith in himself, his business and in the country that affords the many opportunities.

Mr. Hill pointed to the fact that the Northwestern Mutual has qualified eight underwriters for the Million Dollar Round Table. Life members who qualified again are Dr. Charles Albright,

## St. Louis Program Details Are Announced

The fellowship luncheon which was introduced at the Denver convention in 1937, as the final program feature of the National Association of Life Underwriters, will be staged this year at the St. Louis convention on Friday, Sept. 29. The speaker will be Robert L. Hill, administrative officer and director of alumni activities for the University of Missouri. The chairman of the session will be George E. Lackey, general agent for Massachusetts Mutual at Detroit, and past president of the National association. Musical and entertainment activities will be under the direction of Walter Jenkins of Houston, who acted in the same capacity at Denver and Houston.

At the luncheon, those who have been in the life insurance business 50 years will be recognized. The new national officers, trustees, past presidents, St. Louis officers and committee chairmen, and members of the headquarters staff will be introduced.

Mr. Hill, who is well known in his field, served as president of Rotary International in 1934-35.

### WOMEN'S PROGRAM

Berenice Meistroff, Guardian Life, Kansas City, has announced the program for the meeting of the women underwriters at St. Louis. She is program chairman of the meeting. The women's program will be held Tuesday, Sept. 26. Six leading life insurance women are listed as speakers.

At the afternoon session Dr. Pearl Thompson of St. Louis will talk on "The Backdoors of Success." Sara Frances Jones, Equitable Society, Chicago, will lead a panel of St. Louis business and professional women who will discuss their insurance and investment problems. Following this, Miss Jones will answer questions in an open forum. The final speaker will be Thelma Mills, director of student affairs for women, University of Missouri, on "Your Savings and Mine."

Alberta Allen, Massachusetts Mutual, St. Louis, is chairman of the committee on women underwriters and will preside over the session.

The speakers at the morning session will be Beatrice Jones, women's division manager for Equitable Society, New York, on "The Requisites of a Successful Woman Underwriter," Lorraine Blair, Connecticut Mutual, Chicago, "A Woman Merchandises Life Insurance," Sophia Bliven, Penn Mutual, Philadelphia, "The Observations of a Woman Manager," Eleanor Felton, Equitable Society, Boston, "The Wo-

Milwaukee; Thomas Carpenter, New York; Eugene Klein, Cleveland; and Ben McGiveran, Eau Claire, Wis. Qualifying members this year are John R. Mage, Los Angeles, and F. R. Olson, Minneapolis. Other life members are Adolph Gillmann, Cincinnati, and Eugene Stinde, St. Louis.

Executive officers of the company (CONTINUED ON LAST PAGE)

men's Market," and Mrs. Alma Ware Crosby, Jefferson Standard, Beaumont, Tex., "Creating in the Business World More Confidence and Respect for Women Underwriters."

### C. L. U. ACTIVITIES

J. H. Reese, Penn Mutual, Philadelphia, president of the national chapter C.L.U., announces the activities of special interest to the C.L.U. people at St. Louis.

The conferment address on the convention program will be delivered by J. M. Holcombe, Jr., manager Sales Research Bureau. That event takes place the first thing Thursday morning, Sept. 28.

The annual Dutch dinner, Sept. 27, will be addressed by Dr. S. S. Huebner, on "The Contribution of the Life Underwriter to American Security." Dr. Huebner is president of the American College of Life Underwriters.

On Monday evening of convention week, there will be a conference of C.L.U. study group leaders and teachers. On Tuesday there will be a luncheon of the national chapter directors and that evening the American College board of trustees will have a dinner.

The retiring president's report will be given and the election results announced at the luncheon and business meeting of the national chapter on Wednesday. E. W. Brailey, New England Mutual, Cleveland, served as program chairman, assisted by William King, Mutual Benefit, St. Louis, president of the St. Louis C.L.U. chapter.

### Name Harry T. Wright Honor Agent of Equitable Society

The Old Guard Equitable Society gives special recognition to that member of the field force who, in the opinion of a committee, has done the most for the institution of life insurance during the preceding year.

At a luncheon meeting in New York Tuesday the executive committee reported that Harry T. Wright of Chicago was named as the recipient of the award. He was presented with a medal in the presence of 800 delegates to the company's 80th anniversary convention in session this week and a large representation from the Home Office.

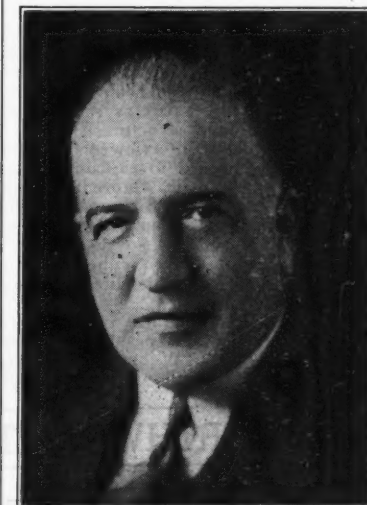
Mr. Wright has for many years been one of the leading personal writers of insurance in the United States. He started in as an office boy in the agency of Courtenay Barber, Chicago, later leaving a clerkship to engage in the actual selling of insurance. He is an authority on business life insurance and inheritance tax insurance. He is one of the best examples of consistent production of life insurance, being noted for insuring a large number of lives rather than as a specialist in large policies. He is secretary of the National Association of Life Underwriters, and will be a candidate for vice-president at its convention in St. Louis.

## 80th Anniversary of the Equitable Notably Celebrated

### Ceremonies Attendant at the Conclusion of Four Score Years

NEW YORK—The great ballroom of the Waldorf Astoria was crowded on Tuesday at the opening luncheon of the Equitable Society's 80th anniversary educational conference. More than 800 delegates were present who qualified for the trip during the first six months. Executive Vice-president W. J. Graham opened the meeting.

"This educational conference is designed to bring information and inspira-



WILLIAM J. GRAHAM

tion to better equip us for the vigorous pursuit of our work in the field of security, and to rededicate ourselves to this work and to our beloved society," he said. "Tomorrow is 'Equitable Day' at the World's Fair where the 'Equitable Garden of Security' effectively includes the society in that better world of tomorrow which is the theme of the fair."

### Delegates Congratulated

Mr. Graham congratulated the delegates on maintaining a standard that ranges from a minimum of a quarter of a million business to a maximum of more than \$1,000,000 which has been achieved by the 36 leading producers. He called attention to the volume produced by John Morrell of Chicago which is \$4,212,492.

"As the established ambassadors of security your assiduous devotion to improving your equipment to serve your clients brings you here not only the best equipped body of Equitable men,

(CONTINUED ON PAGE 10)

# Life Agent Indispensable in Keeping Insurance Costs at a Minimum

MILWAUKEE—"Whether we like it or not the American agency system is on the spot." With this admonishment Percy H. Evans, vice-president and actuary of the Northwestern Mutual Life, proceeded to tell the company's agents convention here why the life insurance agent is indispensable.

Because it is human nature to seek for scapegoats for difficult times, recent developments have placed the American agency system on the spot, Mr. Evans said. For the first time in the 100 year history of American life insurance it is called upon to justify the agency system. In meeting the situation no progress can be made by the vague general statement that the agent is indispensable or by pointing to the billions of its dollars of insurance in force.

Since the organization of the Northwestern Mutual in 1857, it has collected \$3,072,183,836 in premiums and paid compensation to its agents amounting to \$308,371,906, or 10 percent of the total premium. In 1938 it collected \$10,743,111 in first year premiums and paid \$3,652,647 in first year commissions or 34 percent.

## Natural to Question Costs

It is not at all unnatural that the public mind, uninformed as to the technicalities of modern insurance practice, should entertain the idea that if these respectable sums in excess of the pure costs of collection and servicing were not paid to agents, the cost of life insurance would be correspondingly less, Mr. Evans pointed out.

Recent surveys show that while the public has a high opinion of the service and stability of life insurance, they are not completely sold on the indispensability of the agent as a factor in the life insurance structure. Only 6 percent of those interviewed consider the agent as needed to explain life insurance to the public. More than one out of five voted to do away with the agent altogether. Some 18 percent more had reservations so that 40 percent of the total were either bitterly or mildly opposed to the life insurance salesman.

Whether these popular opinions are fair and intelligent is beside the point, Mr. Evans said. "We must meet the situation as it is and we must change

it. One thing we must do is to justify the agency system in the court of public opinion from a cost basis. The second thing we must do is to so conduct our agency activity as to minimize misunderstandings; to so educate our agents that misstatements arising from ignorance are impossible and to penalize deliberate misrepresentations where they occur."

The best way to justify the agency system is to have a clear conception of the function of the agent in modern life insurance and to understand how it is that an efficiently managed company can pay commissions substantially exceeding the expense loading contained in the first year's premium.

## Selection Serious Problem

Every person who can read and write knows of life insurance. It occurs to many of those who are aware of a serious physical impairment that a life insurance policy would be a good thing to have. The consequence is that modern life insurance is a running battle between selection and anti-selection, in which as a condition of success the company must win in the long run and on the average.

If a random cross section of 10,000 lives from the average population was taken and \$1,000 life insurance placed on each person without medical or other selection, a mortality satisfactorily close to premium rates would be secured as anti or reverse selection would be absent.

## Two Methods Cited

However, when the public is given the opportunity to insure, some other method of eliminating or offsetting selection against the company must be devised. This is accomplished in two ways: The first is by medical selection and underwriting rules, but even under the most stringent medical and underwriting procedure a good many poor and under-average risks succeed in getting by. The second method of offsetting adverse selection is by the creation and maintenance of an effective agency organization which operates to bring in what is as nearly as possible a cross section of the population similar to the random sample. This not only minimizes but offsets medical and underwriting

mistakes. The system brings a group of new risks with a mortality not only below that of the general population, but below that of the standard mortality tables and during the first five or 10 years after the medical examination very considerably below.

## Brings In Cross Section

The more active, efficient and successful an agency organization is, the more nearly its activities result in bringing in a cross section of the population with a minimum of self-selected cases, and the more nearly the agency force comes to paying its own compensation by reducing the average mortality experience rate.

While population death rates have been diminishing, life insurance companies have been experiencing during the depression an increase in mortality among insured lives. The reason is that during the depression years it was more difficult to approximate a cross section of the population and self selection has been relatively increased.

## How Much to Pay?

How much can the members of a life insurance company afford to pay their agents for bringing in a supply of selected risks? Mr. Evans asked. In determining the equation of costs vs. worth there are certain intangibles to be considered. For example, if one company should discontinue active solicitation, its reasons for doing so might be misunderstood, misrepresented and the twisting fraternity, would certainly concentrate its activities on the business of such a company.

There have been a number of discussions during the past 50 years regarding the desirability of limiting the growth of life companies. In 1892 the Mutual Life of New York announced that it would limit its paid business to \$100,000,000 that year. This proposal never went any further, but in 1906 the state of New York enacted a limit of \$150,000,000. This legal limitation was soon amended since its operation while curing no discernible evil would have resulted in depriving many agents of their livelihood for a varying period at the end of each year. Under the present New York law the question is approached in a much wiser way by

permitting an increase in new business up to 15 percent in proportion to the economy in which it is written. The more economical the acquisition costs, the more above the 15 percent limit may be written.

The Northwestern Mutual believes that new business carefully selected and economically written is worth more to the existing policyholders than it costs and there is no limit to the amount of new business so written.

The great American life insurance problem is that a considerable proportion of the business in this country is written under expense and underwriting conditions such that it costs more than it is worth to the existing policyholders of the companies writing it. Life insurance must somehow find a solution of the twisting and replacement problem which is a part of the great problem.

A mutual life company is a policy-holding membership. It is the policyholder's money that advances the cost of acquiring new business. It is only natural to inquire why the membership should invest in new business. It is because it believes the block of new business will be worth more than it costs, because the investment will be profitable.

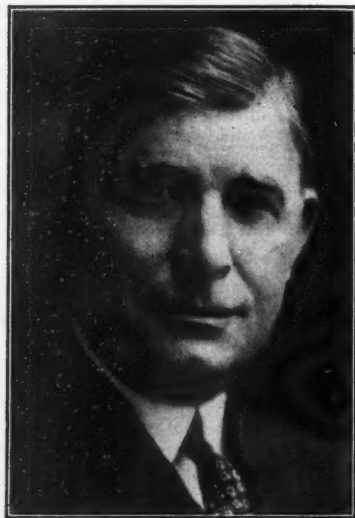
## Quality Is Factor

How much the existing membership can afford to pay for new business depends on the quality. The lower the mortality rate, the lower the lapse rate, the more the membership can afford to pay or advance for acquisition costs. If the mortality lapse rates are too high, the management may be paying more than the new business is worth and the policyholders might be better off if no new business were added.

A good many agents think that the commission scale is a purely arbitrary decision by some one, Mr. Evans said. This is not the case at all. The general scale is determined more or less accurately by what the business is worth to an efficiently managed company. There is a legal formula established by the Armstrong law enacted in New York in 1906 that no company can pay for first year commissions, medical examinations, inspections, etc.,

(CONTINUED ON PAGE 18)

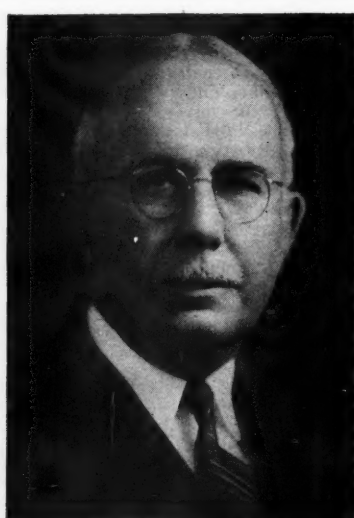
## NORTHWESTERN MUTUAL LIFE OFFICIALS AT AGENCY CONVENTION



M. J. CLEARY  
President



EDMUND FITZGERALD  
Vice-president



PERCY H. EVANS  
Vice-president and Actuary



GRANT L. HILL  
Director of Agencies



## Monopoly Group's Report Refers to Life Insurance

### TNEC Emphasizes Vastness of the Business—No Recommendations

The preliminary report of the temporary national economic committee, better known as the monopoly committee, that has been made to President Roosevelt contains some reference to insurance matters but makes no recommendations as to insurance because that phase of its inquiry has not been completed.

The report states that legal reserve life companies have absorbed more and more of the country's savings. In 1937 the assets of these companies exceeded by almost \$10,000,000,000 the combined assets of savings banks and loan associations and they are greater than the savings deposits in state and national commercial banks. The report states that while the population has doubled since 1890, life insurance assets have been multiplied 25 times.

#### Dependent on Life Companies

"Industry and government discover themselves increasingly dependent upon life insurance companies for essential financing," the report states. The 49 largest companies owned 11 percent of the direct and guaranteed debt of the U. S. government, 9.9 percent of all state, city, municipal and political subdivisional debts; 22.9 percent of all railroad bonds, 22 percent of the entire public utility debt, 15 percent of the industrial debt, 11 percent of all farm mortgages and 14 percent of all city mortgages.

While insurance in force increased less than \$2,000,000,000 in the last seven years, assets increased \$7,500,000,000.

"Assets and liabilities," the report states, "have increased at this extraordinary rate largely because of factors which seemed to operate automatically, such as the normal increase of reserves necessary to fulfill long term contracts, a process independent of new business written. The recent expansion of activities, represented by the annuity business, the prepayment of premiums and the practice of allowing the proceeds of policies to remain on deposit, has contributed to the growth of insurance assets."

#### Method of Control

Reference is made to the method of control in mutual companies. The directors are periodically elected by the vote of policyholders, the report states, and theoretically are responsible to policyholders for the efficiency of management. Considerable testimony was adduced to determine the extent to which policyholders of mutual companies actually influence their management, the report states. It was found that under the New York law it was virtually impossible for the policyholders to elect a director who had not been selected by existing directors. Most of the companies follow the minimum statutory election requirements "in themselves meager" and give no notice to policyholders of their right independently to nominate directors. After the time limit for making such independent nominations had passed some companies through a special notice or otherwise made gestures of creating interest in the election. "Directors of such companies

(CONTINUED ON PAGE 16)

## Gains Shown by Majority in Six Month Reports

Gains in paid business are reported by the majority of the companies for the first six months of 1939. The majority also showed gains in insurance in force as well as improvement over the 1938 changes in insurance in force.

	New Paid* Business 1939	New Paid* Business 1938	Inc. or Dec. Insurance in Force 1939	Inc. or Dec. Insurance in Force 1938
American United Life.....	\$ 20,971,573	\$ 19,715,178	\$ +987,134	\$ +2,690,280
Amicable Life.....	6,381,310	5,493,815	+1,938,732	+730,011
Atlantic Life.....	5,542,587	4,561,863	+1,473,712	+494,759
Bankers Life, Ia.....	27,606,964	26,923,313	+1,390,094	+306,048
Bankers Life, Neb.....	5,190,981	4,905,665	+75,568	+2,538,460
Boston Mutual Life, Colo.....	579,253	536,368	+52,595	+312,256
California-Western States.....	11,870,184	12,077,226	+2,457,522	+1,004,678
Central Life, Ill.....	10,854,033	9,125,626	+632,670	+369,457
Colorado Life.....	2,049,200	1,547,567	+753,840	+965,944
Columbian Natl. Life.....	2,761,000	2,570,000	+360,000	+444,000
Columbian Natl. Life.....	10,053,858	8,334,246	+956,746	+991,298
Conn. Mutual Life.....	49,755,780	44,054,792	+18,040,079	+14,006,344
Confederation Life, Can.....	25,038,421	25,945,889	+6,098,383	+7,145,267
Crown Life.....	16,520,263	14,683,784	+6,474,139	+5,482,980
Equitable Life, D. C.....	17,053,587	17,207,865	+5,323,014	+3,178,088
Eureka-Maryland Assur.....	13,031,597	11,804,679	+3,528,184	+562,894
Excelsior Life, Can.....	6,438,694	7,107,663	+668,540	+1,664,718
Farmers & Traders Life.....	1,977,250	2,068,200	+589,604	+630,844
Federal Life.....	2,351,927	1,984,833	+1,712,297	+1,135,951
Fidelity Mutual Life.....	11,614,807	11,457,149	+175,488	+1,369,828
Girard Life.....	1,799,729	996,280	+541,639	+289,771
Great American Life, Kan.....	739,636	920,583	+174,735	+23,552
Great American, Tex.....	7,794,663	5,995,716	+3,056,482	+2,260,093
Great Northern Life.....	2,110,478	2,169,689	+44,881	+165,575
Great-West Life.....	26,946,783	25,986,922	+4,626,217	+4,277,827
Guaranty Income Life, La.....	1,693,581	1,006,349	+673,879	+28,773
Guardian Life, N. Y.....	20,611,197	22,754,868	+3,597,623	+4,183,656
Imperial Life, Can.....	14,059,437	13,620,285	+2,684,547	+3,665,951
Imperial Life, N. C.....	1,187,450	1,277,456	+490,516	+405,253
Jefferson Standard Life.....	26,604,982	23,324,307	+9,577,992	+4,982,723
John Hancock.....Ord.	162,255,615	111,685,539	+83,817,508	+22,962,758
John Hancock.....Ind.	93,495,773	120,198,597	+4,034,156	+7,059,599
John Hancock.....Group	20,690,245	10,022,750	+23,962,150	+2,473,029
Knights Life.....Ord.	.....	.....	+680,214	+205,898
Knights Life.....Ind.	.....	.....	+3,085,409	+63,624
LaFayette Life.....	2,095,270	1,397,804	+726,627	+122,343
Lamar Life.....	5,443,898	4,416,189	+2,038,658	+286,495
Lincoln Liberty Life.....	3,710,000	3,010,000	+1,254,637	+969,086
London Life.....	58,182,554	57,960,373	+15,184,083	+20,851,657
Loyal Protective Life.....	508,473	519,523	+278,925	+260,016
Massachusetts Mutual Life.....	80,340,954	67,177,398	+19,991,526	+5,603,295
Massachusetts Protective Life.....	2,528,583	2,077,151	+1,009,017	+360,743
Mid-Continent Life.....	2,895,069	3,170,677	+254,567	+398,255
Midwest Life, Neb.....	2,740,823	2,213,111	+860,285	+496,386
Monarch Life, Can.....	3,794,193	3,939,510	+718,217	+892,476
Monumental Life.....	36,586,495	34,701,248	+14,611,414	+438,625

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## Program for N.F.C. Detroit Meeting Is Announced

### Gathering to Last Nearly Week, with Large Attendance, Many Features

Complete program for the Detroit annual meeting of the National Fraternal Congress in August, and nation-wide fraternalists' demonstration, focusing in many activities at Detroit, was announced this week by C. L. Biggs, Maccabees, Detroit, president of the N. F. C.

The program and allied activities have been arranged to interest the rank and file of fraternalists in problems of their system, and it is anticipated that many thousands will go to Detroit who heretofore never have been reached by the influence of their institution's association.

#### Week Is to Open Sunday

International Fraternal Week will open Sunday, Aug. 13, with an all day and night meeting of the Fraternal Field Managers Association in Statler Hotel, convention headquarters, but preceded by a meeting the morning of Aug. 12 of the N. F. C. executive committee. Attendance of about 1,000 is anticipated at the managers meeting.

Individual society meetings will be held Tuesday, with Detroit lodges as hosts. A special conference of 200 field workers is planned by the Maccabees. A cruise on Lake Erie on chartered steamer is scheduled for Aug. 17. Open house will be held the evening of Aug. 17 by Maccabees and Gleaner Life, whose home offices are in Detroit, and the Maccabees will conduct a tour of its offices and sponsor a dance in its auditorium.

#### Drill Teams Are Contesting

An interesting contest is being conducted between drill teams, which will culminate at an exhibition on the state fair grounds Aug. 14, when the team which has collected the largest number of newspaper clippings concerning its participation at Detroit will be awarded a prize. There also will be a prize to the team sending the first set of clippings to W. D. Riley, Maccabees, publicity chairman.

Thirty-six junior drill teams are scheduled to participate at Detroit, Aug. 14, and there will be also drum and bugle corps, stunt and marching units, kazoo bands, etc. J. B. Baker is chairman of the juvenile program and of publicity for these events. There will be an exhibit of juvenile handiwork projects at Hotel Statler, in charge of Miss Mabel Clare Ladd.

#### General Program Details

Program for the week is:

##### Monday, Aug. 14

Fraternal demonstration day, Michigan state fair grounds.

10 a. m.—Junior demonstration.

1 p. m.—Adult demonstration.

2 p. m.—Official opening ceremonies; speakers, Arthur H. Vandenberg, U. S. Senator; Luren D. Dickinson, governor of Michigan; Richard W. Reading, Detroit mayor; David A. Croll, Mayor of Windsor.

3 p. m.—Continuation of adult demonstration.

8:30 p. m.—Mardi Gras, Washington boulevard.

##### Tuesday, Aug. 15, 10 a. m.

##### Section Meetings

Presidents, Alex O. Benz, Aid Association for Lutherans, president.

(CONTINUED ON PAGE 20)

## "Hot" and "Nobody Home"

Time out of mind life underwriters, and other salesmen, have been victims of one fact and one delusion. The one fact is beyond denial, that Summer's heat puts a brake on physical effort, and the delusion is that in the vacation season "everybody's away." As to that, a recent questionnaire by a polling organization showed, as we recall it, that throughout the Summer at all times 80% of workers of all kinds, and of business men, are busy at their occupation, and therefore are available for appointments, calls, interviews. So, while admitting that energy must be a bit pressured in July and August, and that not quite so many prospects can be reached, nevertheless it is the experience of ambitious underwriters that business can be had in the Summer season as at other times of the year, if gone after "hard."

Present-day conditions necessitate the utmost use of time, in every month, to hold production at somewhere near a reasonably satisfactory level.

We have heard Summer-working underwriters say that when the year's production was footed up, the good figures of July and August gave them a comfortable feeling, as did the commissions earned in those two months.

\* \* \*

### THE PENN MUTUAL LIFE INSURANCE CO.

WILLIAM H. KINGSLEY  
Chairman of the Board

JOHN A. STEVENSON  
President

INDEPENDENCE SQUARE, PHILADELPHIA

## Analyze Reinsurance Ceded of First 100 Insurers

Life insurance companies in reporting total insurance in force do not deduct amounts ceded to other companies. Organizations accepting such reinsurance carry these risks also as a primary liability. As a consequence, the total amount of insurance in force is slightly distorted. The 256 companies reported in the Unique Manual-Digest had more than \$97,000,000,000 in force and approximately \$1,700,000,000 in reinsurance.

The figures in the accompanying table show the total amount of insurance in force and amount ceded to other companies for the 100 largest organizations, based on ordinary including group. It would appear that approximately 1.75 percent would be a close figure for arriving at the total amount reinsured.

### Percentages by Company Size

As might be expected, the 25 largest companies, having the greatest retention, show the lowest percentage, 1.161 percent of reinsurance. With a total of \$77,310,567,001 in force they have ceded to other companies \$897,577,884. This percentage more than doubles for the next 25 companies. Again increasing for the next 25 to 5.319 percent, it decreases for those companies ranking 76th to 100th to 4.335 percent.

Two companies, Northwestern Mutual and Mutual Benefit, among the first 25 do not write amounts in excess of their retention. Consequently these companies do not have any insurance ceded to other organizations. North American Reassurance, with no direct writing, has itself ceded \$38,657,000 to other companies.

### Amount of Retention

The amount of retention directly affects the amount ceded to other companies. Metropolitan with a net retention of \$350,000 has \$16,141,852 reinsured in other companies while Prudential with a net retention of \$200,000 has \$32,691,009. Massachusetts Mutual with a net retention of \$100,000 has the greatest amount, \$86,601,783, ceded to other companies.

Those companies writing a large volume of industrial business generally show a low percentage of reinsurance. This naturally follows as on the whole their individual policies would be written for less than their net retention. As an example, National Life & Accident with \$221,750,752 in force has only \$1,521,300 ceded to reinsuring companies.

Although the first 100 companies show only a percentage of 1.688 percent, the succeeding companies will show an increasing amount. It is estimated that the final figures would be close to 1.75 percent.

	Total Ord. & Group Ins. in Force	Total Amt. (Ceded) Reinsurance
1. Metropolitan...	\$15,062,086,839	\$16,141,852
2. Prudential...	10,146,546,894	32,691,009
3. New York...	6,793,826,309	67,000,529
4. Equit. N. Y.	6,749,177,544	37,022,117
5. Travelers...	4,644,922,861	42,868,425
6. Aetna Life...	3,984,353,013	49,847,015
7. Northw. Mut.	3,893,591,675	.....
8. Mut. Life, N. Y.	3,787,704,506	48,747,426
9. Sun Life, Can.	2,906,380,286	30,519,194
10. John Hancock	2,491,519,347	40,696,389
11. Mutual Benefit	2,044,470,484	.....
12. Penn Mutual...	1,951,750,079	82,869,754
13. Mass. Mutual...	1,931,760,137	86,601,783
14. New Eng. Mut.	1,539,231,725	42,473,532
15. Conn. General...	1,147,142,845	12,562,008
16. Union Central...	1,131,338,805	82,962,008
17. Conn. Mutual...	1,013,089,959	33,267,977
18. Lincoln Nat.	995,423,126	25,204,324
19. Provident Mut.	970,900,529	20,669,680
20. Canada...	814,935,337	96,997,483
21. Bankers, Ia.	752,119,649	4,341,201
22. Gen. American	712,976,153	6,957,500
23. Phoenix Mut.	658,569,169	7,520,084
24. State Mut.	595,433,103	30,547,688
25. Pacific Mut.	592,316,627	19,078,114
26. Great-West	580,301,012	9,951,656
27. Equitable, Ia.	577,404,048	14,357,465
28. Mut. Life, Can.	559,109,991	24,189,988
29. Manufacturers.	551,445,258	18,321,172
30. Nat. Life, Vt.	548,966,483	15,022,473
31. Guardian, N. Y.	489,442,871	10,813,620

	Total Ord. & Group Ins. in Force	Total Amt. (Ceded) Reinsurance
32. Reliance, Pa...	468,973,692	20,196,909
33. Occidental, Cal.	452,817,977	27,496,910
34. Kansas City...	443,056,919	8,170,292
35. North. Nat...	427,027,602	15,603,232
36. London, Can...	410,081,140	10,543,275
37. Acacia Mut...	401,348,843	28,382,894
38. Confederation...	397,845,610	26,382,095
39. Home, N. Y.	390,102,770	17,072,020
40. Jefferson, Stan.	385,058,943	6,754,032
41. Fidelity Mut...	363,441,261	13,693,770
42. Southwestern...	342,617,326	12,414,989
43. Western & So.	304,011,333	.....
44. Amer. United...	278,596,983	19,249,799
45. Imperial, Can.	277,706,191	19,975,766
46. Great Southern	250,386,210	11,392,566
47. Calif.-Western	242,660,703	8,487,428
48. Contl. Assur...	231,815,796	13,536,744
49. Minnesota Mut.	225,534,831	10,420,345
50. Nat. L. & A.	221,750,752	1,521,300
51. Amer. Nat...	216,839,263	11,500,000
52. N. Amer., Can.	211,274,501	10,952,647
53. Berkshire	209,911,227	21,360,921
54. Crown, Can...	192,243,274	13,346,164
55. State, Ind...	191,431,914	9,840,248
56. Ohio National	186,232,005	6,702,138
57. Southland	184,337,855	17,619,763
58. Shenandoah	179,861,487	2,241,601
59. Dominion	178,817,869	13,680,835
60. Life of Va...	178,362,108	2,378,951
61. Columbian Nat.	175,819,194	12,171,682
62. Franklin	175,108,383	6,722,809
63. Mutual Trust...	171,479,183	3,912,332
64. Pan-American	164,108,087	7,956,872
65. Central, Ia...	162,291,951	1,856,710
66. Wash. Nat...	159,286,286	8,605,498
67. N. Amer. Reas	140,987,200	38,658,200
68. Guarantee Mut.	135,723,650	2,705,165
69. Atlantic, Va.	134,454,760	12,299,584
70. Columbus Mut.	133,764,491	1,951,765
71. United Benefit	132,258,087	5,382,741
72. Contl. Amer...	132,239,675	5,640,055
73. Country	125,154,425	5,764,243
74. Bankers, Neb.	121,516,311	1,421,841
75. West-Coast	119,273,804	5,183,543
76. Prov. L. & A.	118,928,046	6,068,936
77. Business Men's	116,232,104	4,673,316
78. Midland Mut...	114,067,548	4,274,650
79. Illinois Bank...	110,956,140	3,208,286
80. Protective, Ala.	110,531,429	4,132,108
81. Excelsior, Can.	110,235,838	7,229,149
82. Indianapolis	108,105,607	6,669,578
83. Alliance, Ill.	104,590,030	4,093,510
84. Northw., Wash.	102,627,831	3,909,976
85. Volunteer State	100,178,871	6,467,026
86. Ohio State...	94,970,589	2,840,505
87. Secur. M., N.Y.	91,400,197	3,665,592
88. Amer. Mut...	90,725,725	654,322
89. Pilot	85,882,254	2,758,581
90. Amicable	81,251,687	3,281,761
91. Old Line	78,502,216	3,230,968
92. Fed. Life, Ill.	78,107,643	1,078,879
93. Commonwealth	76,430,524	2,812,324
94. Union Mutual...	75,643,194	1,380,740
95. Beneficial	72,291,831	1,336,472
96. Manhattan	71,887,290	8,235,153
97. Central States	70,607,121	1,970,561
98. Lamar	68,774,216	4,250,518
99. No. Amer. Ill.	65,705,399	4,400,283
100. Oregon Mut...	61,815,055	5,466,644

	Total	Pct. of Reins.
First 25.. \$77,310,567,001	\$ 897,577,884	1.161
Next 25.. 9,821,503,545	363,950,761	3.706
First 50.. 87,132,070,546	1,261,528,645	1.448
Next 25.. 4,111,776,490	218,696,308	5.319
First 75.. 91,243,847,036	1,480,224,953	1.622
Next 25.. 2,260,438,953	97,994,838	4.335
Total 100 93,504,285,989	1,578,219,791	1.688

†Estimated figures.

### Claim Group to Meet Aug. 9

The executive committee of the International Claim Association will meet in New York City Aug. 9 to complete plans for the annual meeting Sept. 11-13 at the Westchester Country Club, Rye, N. Y.

Presiding will be D. J. Reidy, Guardian Life, New York, head of the executive committee. A. G. Fankhauser, Continental Casualty, Chicago, association president, will attend.

An extra large turnout is expected at the annual meeting because the meeting place is not only close to New York City but also to New England companies. This convention is always well attended, there being from 200 to 250 delegates and guests present every year.

The chairman of the program committee, G. M. Day, assistant manager claim department Connecticut General Life, announced that H. C. Walters, attorney of Detroit, will speak on "The Materiality of Misrepresentations." A medical question box is to be conducted by "Bill" Smith of the Connecticut Mutual. S. B. Houck, member of the standing committee of the American Bar Association on the unauthorized practice of law, also will speak.

## D. of C. Commissioner Dies Following Operation



J. BALCH MOOR

WASHINGTON—J. Balch Moor, insurance superintendent of the District of Columbia, died Saturday following a serious operation. He was elected vice-president of the National Association of Insurance Commissioners at its recent convention in San Francisco. Mr. Moor came from Texas. He represented 26 fire companies and Metropolitan Life in a local agency for 10 years. He started this work shortly before the San Francisco conflagration of 1906. In 1916 he entered life insurance exclusively as agency director of Southwestern Life of Dallas, remaining in its service for five years. He continued with other companies in Texas as general agent.

He was appointed assistant deputy administrator of the NRA in Washington, D. C., in 1933 and in 1936 became superintendent of insurance. He took a prominent part in the deliberations of the National Association of Insurance Commissioners, served on its important committees and was well liked by the members. He was slated to be elected president of the association next year

## Managers School Closing Its Course in Chicago Friday

The managers school conducted by the Life Insurance Sales Research Bureau at the Edgewater Beach Hotel in Chicago closes its two weeks session Friday of this week. One of the highlights was an interesting discussion on "The Agency Plan" given by C. J. Zimmerman, general agent Connecticut Mutual in Chicago, Thursday of this week. There were 60 students in attendance. John Black, general agent United States Life in Honolulu, held the long distance record. The school ends with the graduation banquet Friday evening, over 150 to be in attendance. This includes about 75 alumni of previous schools from Chicago and vicinity.

### Officers of the Class

The officers of this class consisted of Staff Hudson, associate general agent Aetna Life, Detroit, president; Charles Hall, assistant director of agencies Massachusetts Mutual, vice-president; Earl M. Schwemm, manager Great West Life, Chicago, secretary; Guy Randolph, general agent New England Mutual Life, Cincinnati, treasurer. Companies having men registered at this school were the Aetna Life, Bankers Life of Iowa, Bankers Life of Nebraska, Canada Life, Connecticut General, Equitable of Iowa, Fidelity Mutual, General American Life, Great West Life, Home Life of New York, Imperial Life of Canada, Indianapolis Life, Manufacturers Life of Canada, Massachusetts Mutual, Michigan Life, Montreal Life of Canada, Mutual Life of New York, New England Mutual, North American Life of Canada, Northwestern National Life, Provident Mutual, Reliance Life, Union Central, United Benefit Life of Omaha, United Life of Salina, Kan., and United States Life.

and was given virtual assurance that the meeting would be held in Washington.

Mr. Moor had a delicious sense of humor and was a most companionable man.

## Record of First Six Months Given

(CONT'D FROM PRECEDING PAGE)

	New Paid* Business 1939	New Paid* Business 1938	Inc. or Dec. Insurance in Force 1939	Inc. or Dec. Insurance in Force 1938
Mutual Life, Can.....Ord.	20,552,977	22,243,162	+3,262,606	+5,378,670
Mutual Life, Can.....Group	4,523,688	1,573,261	+3,295,736	+702,493
National Life, Vt.....	20,776,989	22,403,520	+5,434,520	+4,872,548
New England Mutual Life.....	69,979,881	71,507,445	+23,003,687	+24,841,287
North American Life, Can....	2,393,290	2,735,952	+4,102,592	+5,826,297
Northern Life, Can.....	2,777,003	3,119,578	+684,180	+1,346,330
Northwestern Mutual Life.....	105,111,312	115,583,533	+4,787,993	+3,790,947
Occidental Life, Cal.....	39,741,249	32,984,011	+2,126,746	+12,574,716
Oregon Mutual Life.....	3,895,390	3,280,871	+1,633,253	+582,953
Pacific Mutual Life.....	16,183,000	14,681,000	+4,048,000	+7,300,000
Pan-American Life.....	12,402,779	13,222,592	+2,767,854	+1,976,915
Pathfinder Life, Neb.....	1,036,071	87,767	+729,000	+130,996
Paul Revere Life.....	4,764,593	3,692,495	+2,364,931	+1,110,701
Penn Mutual Life.....	71,588,028	74,197,335	+6,485,736	+5,820,991
Peoples Life, D. C.....	3,218,523	2,459,864	+1,692,573	+52,053
Provident Mutual Life.....	36,886,071	34,335,077	+5,054,636	+1,952,040
Rockford Life.....	943,116	991,664	+6,071	+31,650
Savings Bank Life, Mass.....	13,622,264	10,377,235	+3,245,029	+754,123
Savings Bank Life, N. Y.....	4,215,204	.....	.....	.....
Seaboard Life, Tex.....	2,692,104	2,771,365	+1,205,130	+1,185,222
Security Mutual, Neb.....	3,443,530	2,892,565	+662,560	+738,602
Security Mutual, N. Y.....	4,860,946	4,776,042	+615,888	+816,919
Southern Life, Ga.....	927,676	1,058,070	+408,519	+406,145
Standard Life, Ind.....	3,434,000	1,760,000	+2,590,000	+1,071,000
Standard Life, Miss.....	1,935,134	1,896,479	+508,422	+499,797
State Mutual Life.....	15,500,291	18,372,067	+65,753	+1,314,232
State Reserve, Tex.....	901,469	1,237,936	+36,765	+1,514,376
Sun Life, Md.....	13,876,933	12,055,313	+4,505,213	+1,866,500
Supreme Liberty Life.....	30,560,151	21,716,685	+2,114,437	+1,514,376
United Life, Kan.....	584,476	554,668	+96,599	+167,230
United Life & Accident.....	2,317,289	2,114,437	+709,750	+443,142
Volunteer State Life.....	4,683,315	3,854,928	+348,127	+1,037,019
Webster Life, Ia.....	270,349	174,544	+95,805	+4,097
West-Coast Life.....	8,186,782	8,811,144	+1,110,447	+1,696,874
Western & Southern Life.....	28,492,262	19,479,670	+12,542,530	+227,742
Western Life, Mont.....	2,199,680	2,199,834	+44,075	+78,482
Western Reserve Life.....	1,169,048	1,885,889	+127,585	+739,442

\*Includes issued, revived and increased business.

†Not including increased.

‡Excluding group and veterans' insurance.

§Including annuities.

¶Issued basis.



## Metropolitan Fight on Counsellors

### Company's Position Is Set Forth at a Brooklyn Hearing

There has been a hearing before Supreme Court Justice Steinbrink of Brooklyn in a case where a petition was filed to prevent the Metropolitan Life from paying a total of \$8,500 a week for broadcasts by E. C. Hill over various stations, warning the public against seeking advice from insurance advisers. The argument for the petition stated that the work is "illegal and excessively costly." Lawrence Shay, a Brooklyn policyholder, brought the petition, he undoubtedly being used as a stooge for so-called advisers and counsellors. Attorneys representing Mr. Shay asserted that company officials exceeded their powers in spending more than \$100,000 for broadcasts, declaring that they are not for advertising purposes, but are solely to warn the public not to seek advice from counsellors. The attorney said that in other words the company is telling the public not to seek impartial advice concerning contracts.

Stuart Updike represented the company and stated that last February a group of so-called advisers, not subject to a state license and had no supervision, began villifying campaigns against life companies and particularly against the Metropolitan. They distributed circulars which contained such statements as "weekly payment policy fraud exposed" and "you pay eight times as much as is necessary."

Attorney Updike stated that after this campaign started and broadcasts were used in connection with it many policyholders lapsed their policies. He said:

"The campaign was ruining the morale of the agents. So what was the company to do? First, the company sued for libel, and the only other thing to do was to reach their same radio audience. As to our program, it only has one part which is directed at these insurance counsellors. The rest of the program is generally a dramatization showing the result that follows when one of the policyholders took this so-called impartial advice. We also stress on our radio program the value of our nursing service."

"The company spends an average of \$600,000 a year on advertising. We conduct a safety campaign intended to prevent accidents, and we have a general health and welfare program. If the company in this way can so advertise, certainly it can advertise how to avoid mistakes that would void the very policies."

Mr. Updike said the granting of an injunction would be a serious blow to the prestige of the company and would undo much of what was accomplished by the broadcasts.

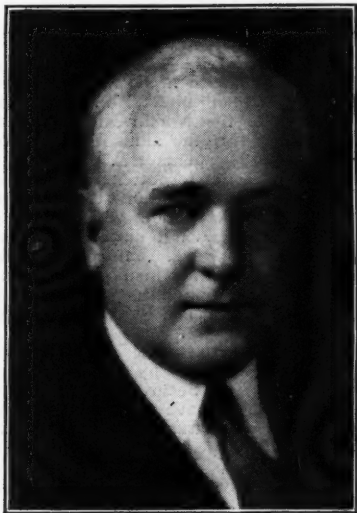
### Trust Income Used to Buy Big Policy Ruled Taxable

The U. S. board of tax appeals at Washington ruled that only \$125,534 of \$681,416 income in 1934-1935 from a trust set up for the children of Frank C. Rand, St. Louis shoe manufacturer, is taxable as part of Rand's income.

Rand, board chairman of International Shoe Company at a hearing last October testified he used the \$125,534 to purchase \$1,000,000 life insurance on his life for the benefit of his children, of whom there are six.

The internal revenue law provides that trust income so used may be included in computing the income of the grantor, and the internal revenue commissioner had included the total trust income for 1934-1935 on the ground all could have been used for insurance. The government sought to collect \$166,314 tax for 1934 and \$119,553 for 1935.

## Celebrating



THOMAS I. PARKINSON

President T. I. Parkinson of the Equitable Society is in fine fettle this week as he is the chief figure in the company's 80th anniversary educational conference in New York City. One of the interesting features was the ceremony at the "Equitable Garden of Security" at the New York Fair. President Parkinson was toastmaster at the anniversary banquet at the Waldorf-Astoria.

### Conservation Deal in Reinsurance Held Invalid

The court of civil appeals of Texas has upheld Sterling Mutual Life in refusing to pay \$37,500 under a contract that was entered into with W. L. Pearson for conserving the business of Peerless Mutual Life that was taken over by Sterling Mutual. Pearson was president of Peerless Mutual.

Sterling Mutual contracted with Pearson to pay him 5 percent of the renewal premium on certain policies issued by Peerless Mutual in consideration of the agreement of Pearson to use his influence and best efforts to keep in force the insurance of Peerless Mutual. After having fulfilled the requirements made of him, Pearson had assigned the contract to Stone, who brought suit against Sterling Mutual. Stone was denied recovery of the renewal commission since Pearson had not procured a license from the Texas commissioner as required by statute.

Stone's contention that only solicitation by agents of new insurance came within the purview of the agent's law of Texas is inept, according to the court, because the statute does specifically denounce as unlawful the act of any person, whether an agent or not, who "in any manner aids in the transaction of the business of any insurance company incorporated in this state, or out of it, without first procuring certificate of authority from the commissioner."

The petition does not allege that Sterling Mutual had anything to do with Pearson's failure to procure a license.

### Klein Wins Award Twice

The A. R. Klein general agency of the Home Life in Chicago was the only repeat winner of company awards in the second quarter, retaining the new organization plaque for the greatest number of new men joining the agency.

The quality organization plaque went to the Friedler & Mayer agency of New Orleans, the quality business plaque to Joseph E. Lockwood agency of Philadelphia, and the consistent producer award to V. W. Holleman of Washington.

# 39.4%

Do you find it a problem to keep busy . . . profitably? Perhaps Continental can help you . . . as it is helping others. Continental offers:

1. Salable merchandise . . . both par and non-par.
2. Sales assistance . . . that tells how to sell . . . where, whom and what.

Continental sales assistance is effective. Our Juvenile Educational Trust Plan, for example, has produced a country-wide average return of 39.4 per cent . . . Each inquiry from a person who knew he would be solicited.

That is but one of many practical forms of co-operation offered by this strong and steadily growing institution. Let us give you the complete story as it relates to the profit side of your ledger.

# Continental

## ASSURANCE COMPANY

CHICAGO, ILLINOIS

*Affiliated with*

## CONTINENTAL CASUALTY COMPANY

## Nebraska to Take No Action on Farms

### Smrha Sees No Reason for Alarm on Insurance Holdings

OMAHA — In Nebraska only about 3 percent of the farm land is in the hands of insurance companies and the present situation is satisfactory, according to Commissioner Smrha. No consideration is being given to following the action of Commissioner Fischer in Iowa. All insurance companies owning land in Iowa last week were ordered to proceed toward immediate and orderly liquidation of their holdings in that state.

Nebraska law requires companies to sell their land in five years, but extension up to seven additional years may be granted by the insurance department.

Commissioner Smrha said extensions had generally been granted when requested, as the present market does not justify extensive selling. Mr. Smrha is satisfied that insurance companies are anxious to sell as soon as they can get a reasonable price. A Nebraska moratorium law was worked out by the last legislature.

Many of the insurance company farms in Nebraska have been rehabilitated, their buildings put in tip-top shape and made profitable investments by super-scientific farming methods.

## Tennessee Official Rules

Commissioner McCormack of Tennessee has made public a letter that he has written to Ralph R. Lounsbury, president Bankers National Life, on the subject of the holding of real estate by life insurance companies. He states that his hands are tied by statute and that he would not be permitted to approve any plan that might give a right to life companies to hold property for a period longer than two years or to invest funds in such property.

Section 6206 provides that all property acquired by life companies which shall not be necessary for the accommodation of the company in the convenient transaction of its business, shall be sold and disposed of within two years after the company shall have acquired title to it or within two years after it shall have ceased to be necessary for the accommodation of its business. The company shall not hold such property for a longer period unless it shall procure a certificate from the insurance commissioner authorizing an extension of time for the sale of such property.

### Letter from Lounsbury

The letter from Mr. Lounsbury that elicited the reply reads:

"Within a few years after the first life insurance company made its first investment in a mortgage loan it found itself the owner of real estate not needed for its operations. By 1925 most, if not all, of the life insurance companies owned real estate acquired as a result of foreclosure. The amount of such real estate increased very rapidly in the last decade and it appears to me that the life insurance companies are permanently in the real estate business.

"Experience would indicate that so long as companies continue to make mortgage loans on real estate so long will they continue to come into the ownership of some percentage of the properties through foreclosure. While these properties are owned, whether for short or long periods, the life insurance companies must manage them.

### Concentration Is Desirable

"The management of real estate is a simpler problem and less expensive to operate if the properties owned are fairly well concentrated. Most of the companies, however, find themselves

## Endorsed for Reelection as National Trustee



WILLIAM M. DUFF

The directors of the Pittsburgh Life Underwriters Association have adopted a resolution formally endorsing William M. Duff as a candidate for reelection as trustee of the National Association of Life Underwriters. Mr. Duff is head of the Edward A. Woods Company of Pittsburgh, general agent for Equitable Society. Mr. Duff was reelected as a national trustee last year for a one year term.

with a concentration of properties in some areas, but with a few isolated holdings as well. One company's isolated holdings will be in sections where one or more other companies have a concentration.

"If exchanges could be made legally, and were made fairly, it would seem that many of the companies could reduce unit costs of managing real estate and possibly do a better job for their policyholders. Some interest has already grown up among some of the financial officers of the American Life Convention companies on this possibility.

"I have been assigned the job of ascertaining your views on this suggestion and also what changes would be required, if any, in the laws of your state in order to permit such exchanges. If you will, some time in the reasonably near future, give me this latter piece of information and your opinion of the feasibility of the suggestion, it will be very much appreciated."

## Downward Mortgage Trend

A study of Life Presidents Association figures on percentage of assets represented by each class of investment shows that although real estate holdings have been increasing in actual dollars, the percentage to the total assets has passed the peak reached in 1936. In 1929 real estate holdings of life companies, according to Life Presidents Association figures, totaled \$345,390,000 or 2.2 percent of the total assets. The total holdings have steadily increased to \$1,982,000,000 in 1938. In 1936 the real estate represented 8.3 percent of the assets, in 1937, 8 percent and in 1938, 7.8 percent.

Inasmuch as there has been a gradual decrease in mortgage holdings, especially in farm property, the real estate situation becomes less pressing as time goes on because there are fewer properties subject to possible foreclosure. Farm mortgages which totaled \$1,930,434,000 in 1929, representing 12 percent of the total assets, have decreased to \$800,000,000 or only 3.1 percent of the assets.

Other mortgages have not decreased

## No Justification for Panicky Ideas, Says M. J. Cleary

MILWAUKEE — "The American public's confidence in legal reserve life insurance is still intact," President M. J. Cleary of the Northwestern Mutual Life declared at the annual meeting of the company's agents association. "People have not forgotten and will not forget that this institution stood up and functioned in a period when all else failed. They are not disposed to lose faith until disproved. You cannot blot out the fact that life insurance was one type of institution that functioned in good times and bad without subsidy, grant or guarantee.

"During the last few months there have been hearings by the monopoly committee of the Securities & Exchange Commission. I have no fear of the investigation of insurance companies," Mr. Cleary said. The government has been courteous in its inquiry and the companies have given a complete and frank answer.

"Life insurance is not on trial. If there are unsound practices, they should be brought to the surface. If criticism is justified, we in the business should want to know about it.

"Let's not get panicky. Let's keep our heads with sane and sound thinking when that kind of thinking is none too prevalent. I believe the principles laid by the founders were sound and will prevail.

"Life insurance has the element of public interest. We can't protest a sincere inquiry. This is a study, not an investigation. The question of safety of life insurance is not involved.

"After all, the public is interested in its insurance investment. The public is not going to allow anyone to undermine its investment or allow unsound policies or inadequate rates.

"We have no apology to make for our record, Mr. Cleary said. "You cannot destroy prestige. Our record is too good, and the future too bright. While some of the publicity may not be entirely favorable, the preponderance of comment is favorable."

## Production Records of Companies by Size Groups

The Sales Research Bureau reports that the June production of companies with more than \$400,000,000 insurance in force was 105 percent of the production during the parallel month last year and that the production of these companies for the year to date is 113 percent of the first six months of 1938. The comparable ratios for companies of from \$150,000,000 to \$400,000,000 in force are 110 and 110. For companies of less than \$150,000,000 insurance in force the ratios are 118 and 106. During June 42 percent of the largest companies made a gain in production, 59 percent of the medium sized companies and 67 percent of the small companies. For the year to date 65 percent of the large companies have made gains, 76 percent of the medium sized companies and 67 percent of the small companies.

in the same proportion, although they have gone down from \$4,816,134,000 in 1929 (30 percent of assets) to \$4,142,000,000 or 16.3 percent of the assets in 1938. The other mortgages reached a low point in 1936 with \$3,836,760,000, so that the present total represents new mortgages which are probably on a much sounder basis from the foreclosure standpoint. Total mortgages have decreased from \$6,746,568,000 in 1929, or 42 percent of the assets, to the present figure of \$4,942,000,000, or 19.4 percent of the assets.

From these figures it can be readily seen that the acuteness of the real estate holding problems is lessened each year.

## Cleveland Campaign Is Going Forward

The committee that is seeking the 1940 convention of the National Association of Life Underwriters for Cleveland, is now conducting a vigorous campaign in view of the fact that the time for the St. Louis national convention is close at hand. The choice seems to lie between Cleveland and Philadelphia.

In addition to Cleveland men, the committee embraces leaders in other cities in the state. The committee is headed by Rene P. Banks, general agent for Penn Mutual at Cleveland. The other members are Seth A. Bardwell, general agent Lincoln National Life; H. G. Wischmeyer, general agent John Hancock Mutual, and national executive committeeman; Warren H. Smith, general agent Northwestern National Life and past president Cleveland association; Vernon Kroehle, general agent for Northwestern National and Ohio state committeeman; Ross M. Norris, general agent for Security Mutual Life and vice-president Cleveland association; F. L. McFarlane, Aetna Life, and president Cleveland association; C. R. Walker, general agent Equitable Life of Iowa; C. Vivian Anderson, Provident Mutual, Cincinnati, past president National association; Ralph W. Hoyer, general agent John Hancock, Columbus, and president Ohio state association, and Fred Zweifel, general agent Equitable Life of Iowa, Toledo, and past president Ohio state association.

### Penguin Is the Symbol

The committee has selected the penguin as symbolic of the claimed coolness in Cleveland during September, which is convention month. The meetings would be held in the Stillman theater, which is air-conditioned and which is located in the Statler Hotel building. The committee points out that this would obviate the necessity of walking from the headquarters hotel to a meeting place at a distant point.

The advantageous location of Cleveland from the transportation standpoint is outlined.

The committee points out that the Cleveland association has been for years one of the larger units of the country. It has originated many accomplishments and progressive ideas, yet it has entertained the National convention but once in its half century of existence.

The Cleveland Association received the idea of presenting a bid sometime prior to the Houston convention last year. The invitation was formally extended at that time and again at the 1939 midyear meeting at Louisville when Cleveland sent a strong delegation and provided entertainment to give evidence of its desire to be hosts in 1940.

## Canada Has Most Favorable Life Insurance Balance

TORONTO—Life insurance owned by non-residents in Canadian life companies is almost double the amount owned by Canadians in companies other than Canadian, the Dominion Bureau of Statistics reports.

At the end of 1936 (the latest data available) the liabilities of Canadian life companies in foreign countries totalled \$871,900,000 including \$791,600,000 net reserve. United States companies held the bulk of foreign business in Canada with \$428,000,000 of liabilities in Canada of which \$404,800,000 are net reserves. Liabilities of British life companies amount to only \$36,200,000.

There is a tendency for foreign companies to build up Canadian assets against liabilities in Canada, because Canada is a favorable field for investment. At the end of 1936 United States company assets were \$506,500,000 against liabilities of \$428,000,000.



## Block Sabbath's Effort to File Stinging Report

WASHINGTON—A 576-page report of the select committee to investigate bondholders' reorganization, attacking numerous individuals and concerns and going deeply into the receivership of Missouri State Life, precipitated a sharp controversy in the House of Representatives last week when, offered by Representative Sabbath of Illinois, chairman, its acceptance was opposed by members who claimed that the committee had expired Jan. 3, and, further, that the report had never been approved by any of its five other members.

Unanimous consent for its filing, asked by Sabbath, was refused by Church of Illinois, who challenged Sabbath's claim that it was filed May 16, 1938, declaring that the Congressional Record for that day showed no such action. Dirksen of Illinois, a member of the committee, pointed out that it had expired in January and declared that there were some portions of the report that should be edited.

### Statement By Sabbath

Asked by Michener of Michigan whether the report had ever been acted upon by the committee, Sabbath hedged by saying he had heard no objections from members of his group.

As a result of the objections, Speaker Bankhead refused to accept the report until an investigation had been made as to its legality after the death of the committee.

The Missouri State Life situation was brought up during consideration of a securities bill by Sabbath, who declared it "typical of the flagrant abuses we uncovered."

Quoting from the report, Sabbath charged that two individuals acted in collusion with the state superintendent before the company was adjudged insolvent, to bring about a private sale of its assets at false undervaluation. He also attacked activities of General American Life, and held that the real purpose of voting trusts set up for General American and Southwestern Life stock was to put three individuals in control of the former and two others in control of the latter.

Sabbath attempted to have other portions of the report printed as a house document but was unable to secure the necessary consent.

The attempted coup by Sabbath caused considerable embarrassment, because copies of the report had been given to newspaper men with the assurance on the part of Sabbath that the report had been filed. Dispatches were sent out and were printed in some places.

Representative Cochran of St. Louis inserted in the congressional record a telegram from P. B. McHaney of General American Life, stating:

"There is not to be found in the official transcript a scintilla of evidence adduced before the committee pertaining to the General American Life Insurance Company or its officers of evidence justifying the statement in the congressional record.

"So far as I personally am concerned, I have never at any time or at any place made any statement indicating the control or purchase by General American Life Insurance Company of the assets of the defunct Missouri State Life Insurance Company was either invalid or improper. As a matter of fact, the courts have held that such contracts were valid and proper. The printed record of the proceedings of the committee are available to the congress as a careful scrutiny of that testimony will so prove."

John F. Winn of the Metropolitan Life in New York was awarded the prize for the highest grade in the examinations following the course in life insurance under the auspices of the Insurance Society of New York. His grade was 88.5.

## Wisconsin Secures Life Insurance Exemption Act

B. M. Engebretson of Beloit, Wis., is an agent of the National Guardian Life of Madison and is a member of the Wisconsin assembly.

He fathered a bill which was signed by the governor exempting \$10,000 of life insurance payable to a named beneficiary from taxation. It has been many years since Wisconsin residents have enjoyed any special exemption on their life insurance under the inheritance tax laws of the state.



B. M. Engebretson

In most states some form of life insurance exemption is allowed. Some years ago there was an exemption of \$25,000 but this was repealed. Mr. Engebretson devoted himself earnestly to the \$10,000 exemption bill. Naturally legislators are not in favor of any measure that tends to reduce revenues but in this case his influence was so strong that it finally passed.

## Vetoes Ill. Bill for Insurance Quiz

Governor Horner of Illinois this week vetoed the bill to create a special committee of five members of the house and five senators to study the insurance rate situation in the state and to delve into other insurance matters. In his memorandum, the governor indicated that the main reason for his veto was the fact that there was no appropriation to cover the expenses of the committee. He pointed out that insurance rates are a complicated subject and technical assistance would be necessary for worthwhile study and that there are no funds with which to provide such assistance.

### Inconsistency in Bill

The governor pointed out that the title of the bill recites that an appropriation is made for the proposed special commission but no such appropriation is made in the bill itself.

The bill provides that the senate members are to be appointed "upon the advice of the executive committee." The governor pointed out that the general assembly has adjourned sine die and the executive committee is no longer in existence.

"The rates charged for different kinds of insurance," Governor Horner stated, "are of great importance to the public and it is a proper function of government to keep informed as to reasonableness of such rates and their relation to the risk involved, but it appears that the committee provided for would be unable, without an appropriation, to render any useful service or make any contribution upon this subject matter."

### Illinois Chamber of Commerce Record

The insurance division of the Illinois Chamber of Commerce has issued a bulletin, reviewing the legislative season in the state. The insurance division was most active throughout the session and did effective work. The review states that some 50 bills were introduced at Springfield that were considered as worthy of attention on the part of the insurance division. Only two measures were passed that might be construed as unfavorable to insurance interests, according to the review. One of these, the so-called hospitalization bill, was amended to include non-profit hospitals only and to give companies access to hospital records which make the law the least objectionable possible. The other unfavorable measure, known as the adjuster's bill, was vetoed by Governor Horner, the committee observed.



**\$5256 A Year —  
\$438 A Month —**

earned in 1938  
by a Western Life general agent living in a city of 17,000.

**1938 total agency production \$255,162.**

**1938 general agent's personal production \$125,251.**

This General Agent says: "Removing production pressure has enabled me to enjoy the business, give better service to my clients and quality business to my Company." (His 1938 earnings were \$3817 in first year commissions and \$1438 in renewals and bonuses for persistency and increase of insurance in force.)

General agency openings available in California, Oregon, Washington, Idaho, Montana and Utah. Write for copy of financial statement.

## WESTERN LIFE INSURANCE COMPANY

Since 1910

HELENA

MONTANA

R. B. RICHARDSON  
President

Assets — \$14,453,761  
Surplus — \$2,300,000

LEE CANNON  
Agency Vice President



**THIS** may be your real opportunity—don't knock. Simply write to the Agency Department of the United Life and Accident Insurance Company for the full story about our combination contract—life, containing double and triple indemnity, with weekly accident protection, non-cancellable and non-proratable.

United Life and Accident Insurance Company agents increase their earnings selling this combination life and non-cancellable accident insurance.

Do you want to increase your earnings?

**OPPORTUNITY KNOCKS—ACT NOW**

Address your letter to:

William D. Haller, Secretary and Agency Manager  
United Life and Accident Insurance Company  
Concord, New Hampshire

## Some Observations Made on Policy Loan Interest

The Guarantee Mutual Life of Omaha has gotten out an explanatory leaflet so that its policyholders may have a clearer idea about the interest on policy loans. It says:

"A policy loan is possible because a sufficient reserve has been created to the credit of the policy, the result of premium deposits by the insured. The creation of such reserve value is required by law and is necessary to permit the company to fulfill the terms and conditions plainly stated in the policy contract. Upon this legally required reserve the company must earn interest, equal at least to the rate provided in the policy contract, 3½ percent.

"When a policy loan is made, the

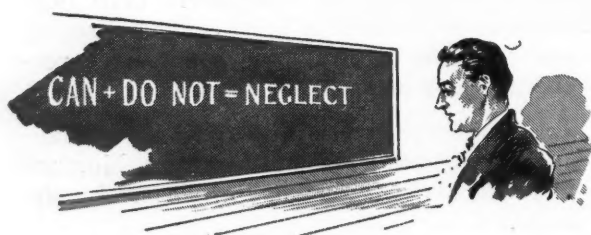
effect is as follows: The policyholder obtaining a policy loan withdraws from the company such amount of reserve as is equal to his policy loan, and consequently the company is deprived of the opportunity to earn the necessary interest promised to the insured in the reserve provision of his policy. The deduction by the company of a sum equal to 6 percent in advance is not quite what it seems, because of the very important fact that although the reserve is withdrawn for use by the policyholder, the increasing values shown in the table of values in his policy are benefited each year by crediting interest at the rate of 3½ percent just the same as if the money had not been withdrawn from

the company by the insured in the form of a policy loan. This important fact is not generally known by those making policy loans.

"Generally speaking, policy loans are for small amounts and the administrative expense is high. Obviously, the expense of handling a large number of small loans is vastly greater than the handling of a single investment equal to the same total. The contract requirements of legal reserve life insurance obligate life companies to carry large cash balances from which no interest is received, and also necessitate liquid short term investments upon which the interest return is small.

"As explained, the policyholder being credited in his policy with 3½ percent interest on the reserve which he has withdrawn in the form of a policy loan, only the difference between this amount (3½ percent) and the total deducted, namely 6 percent, is available to the company to care for the administrative expense in handling the multitude of small policy loans, and the necessity of carrying large uninvested sums to immediately meet the loan demands of those owning policies. Life companies do not encourage policy loans and always urge repayment, because such loans frequently lead to lapse and loss of the insurance protection by the borrowing policyholders. This is particularly true when full loans equal to the entire reserve are made.

"A policy loan is in effect a mortgage against the face value of a life insurance policy. If one is made, we earnestly recommend that regular payments be made in order that the loan may be repaid and the original value of the insurance, in the event of death, may be restored."



### SUM THIS UP

The put-it-off family provider who could protect his dependents with adequate insurance on his life might have difficulty in justifying his neglect.

One of the helpful tasks of the life insurance salesman is to show a prospect the dangers of delay and the advantages of here-and-now action.



**The Prudential**  
Insurance Company of America  
Home Office, NEWARK, N. J.

## Md. Commissioner Opposes Retaliatory Action in East

John B. Gontrum, Maryland commissioner, who made one of the principal talks at the San Francisco convention of the National Association of Insurance Commissioners, in behalf of the compromise proposal for a four-zone plan of company examinations, was queried as to his attitude on the question, in view of the fact that the compromise was defeated by a coalition vote of western and southern commissioners. One or two of the eastern commissioners had informally suggested that the eastern group hold a rump convention. Superintendent Pink of New York was queried on that proposal and stated that he is opposed to it.

"I quite agree with Mr. Pink that nothing should be done to further intensify any spirit of sectionalism existing within the National Association of Insurance Commissioners," Mr. Gontrum asserts.

"I was much impressed by the splendid caliber of the men attending the insurance commissioners' convention. I believe that these men are quite capable of working out our problems in a calm spirit of tolerance, good will and mutual understanding. We must demonstrate to the country that we can approach the problems from a national viewpoint, rather than in a spirit of 'sectionalism.'"

"I felt at the recent convention, and still feel, that Superintendent Pink's proposals were sound, constructive and moderate, and I have confidence that in the fairly near future there will be a satisfactory solution of this rather vexing problem of examination. In so far as Maryland is concerned, we shall continue as heretofore and cooperate in every way under the present plan of making examinations, and certainly we do not contemplate any retaliatory action whatsoever."

Superintendent Blackall of Connecticut is another of the eastern commissioners who declares an emphatic opposition to taking part in any organization of insurance commissioners which would savor of sectional action. Possibly some have thought that the New England commissioners, who get together occasionally and who met recently, were thinking about some kind of group action. However, the New England commissioners have met together occasionally for years, and particularly in connection with problems advanced by the New England Advisory Board of the fire and casualty agents' associations of New England.

## Kavanaugh's Appointment Contested in Federal Court

DENVER—The Union Investment Co. of New Mexico has filed suit in the federal court here asking that the Colorado state treasurer be restrained from paying the salary of Commissioner Kavanaugh.

In order to place the case under federal court jurisdiction, the suit sets up that the amount involved is in excess of \$3,000. However, Mr. Kavanaugh points out that his salary for the brief time he has been in office could not reach anything like that figure.

The Union Investment Co. alleges that the code bill under which Mr. Kavanaugh was appointed by Attorney-general Rogers was not correctly passed by the legislature and that the power of making this appointment belongs to the governor. The suit claims that the appointment of Mr. Kavanaugh violates the state constitution. However, no damage to the Union Investment is claimed.

Hoyt H. Mahan, who has been assistant superintendent Prudential, at Augusta, Me., is now the new superintendent at Lewiston, Me. He succeeds Superintendent MacAdams, deceased.

## Colorado Probe Committee Wants State Code Revised

DENVER — As a climax to a series of stormy sessions in which fist fights and heated arguments played an important part, the interim investigating committee on insurance appointed by the house of representatives recessed until Sept. 5 after requesting Commissioner Kavanaugh to prepare recommendations for revision of the Colorado law based on the New York code.

The commissioner, who is now studying the New York law, says he believes certain amendments along that line would be beneficial but that in a state such as Colorado it would be wholly unnecessary to incorporate it in toto. He will report on what changes he considers advisable when the committee reconvenes.

Meanwhile, the investigating committee hopes to force, through court action if necessary, the payment of a \$3,000 appropriation by the house for this purpose. Attorney-general Rogers holds the allotment is illegal because it was not also approved by the senate and given the governor's approval.

Most of the excitement centered on charges made by the attorney-general against Herman Kline, secretary of the committee, involving his connection with two mutual benefit outfits, the Protective Association and Mercantile Life Association, former Heath-Larson enterprises. Heath and Larson were sent to prison for their part in a fraudulent deal connected with the American Life scandal of several years ago.

Mr. Rogers in his testimony before the committee attacked the contract he said Kline "made with himself." He declared "the companies didn't pay the widows and orphans all they had coming. Kline admitted that he took 50 percent of everything that came in and cut people out of money they were entitled to."

"Those companies took all they could. They did like Kline did—milked it and dumped it on a sucker."

Kline declared he bought the associations in good faith, tried in every way to live up to the contract and came out with a clean bill of health before a senate investigating committee. He sold them March 1, 1937, to J. L. Schlosser of Jacksonville, Fla., for \$7,400.



## Woman Agent Has Gained Renown

The life story of Lena Lake Forrest of the Detroit agency of the Massachusetts Mutual and her career as a life agent, filled with the romance of achievement, sets a noble example which the present and future generations may well emulate for their own sakes, through sincere service.

Soon after her graduation from high school in Detroit, she married H. A. Forrest, well known Michigan attorney. Left a widow after a few short years, she remembered a chance remark of her late husband, "I wonder why women don't write life insurance," and in 1903 she entered life insurance as a personal producer in the Massachusetts Mutual Life agency at Detroit. She proudly refers to her contract as "adoption papers" by which she and the company adopted each other.

### Her Career in Selling

Her sales, averaging \$53,000 annually from 1903 to 1907, have persistently increased, mounting to an average of \$220,000 annually from 1929 to the present. Endowments sold during the early years of her life insurance career are now maturing at frequent intervals, usually without loans, and with all dividends intact. Because of her sympathetic understanding in life's personal problems and her friendly sales service, her clients go to her office for advice and frequently to buy life insurance. She believes that life insurance selling is the most dignified and worthwhile occupation open to women, "Because," she says, "it offers such a wide field of activity and opportunity."

### Gains Much Distinction

Like her grandmother, the famous Hannah Reed, and her mother, Mrs. Forrest has long been actively interested in work for women. She was 1914 president of the Detroit Business Women's Club, and organized the Michigan State Federation of Business & Professional



MRS. LENA LAKE FORREST

Women's Clubs in 1916, being elected its first president and holding the office until 1920, when she was elected president of the National Federation of Business & Professional Women, of which organization she is still an honorary head. Interested in world peace, she serves as an active member of five national boards. In 1920 she was selected by a survey as the best business woman in the United States. A national scholarship for advanced training of business and professional women bears her name.

She is a popular public speaker, one of her outstanding addresses being "The Woman's House by the Side of the Road," given before the Massachusetts Mutual agency convention in 1918 and often quoted.

## Bailey Case Decision Brings Bad Practices

Those agents who give special attention to estate tax questions in relation to life insurance are confused and upset by the recent decision of the United States court of claims in the so-called Bailey case. Apparently some agents who resolve these problems with the utmost dispatch and with assurance that they divine the future, have been advocating the cancellation of certain insurance programs and the substitution of so-called wife insurance, that is, having the beneficiary apply for insurance on the life of the husband. Such activity is reported to be fairly extensive and the most responsible element in the business feels that it is ill advised.

The National Association of Life Underwriters has taken an interest in the case and it will undoubtedly be taken to the United States Supreme Court. Unless and until the supreme court passes on one or more of the various issues involved in the Bailey case, the agent cannot speak with authority on the situation that is facing the assured. Many tax authorities believe that the court of claims decision will be reversed in several particulars at least. Assuming that the taking out of wife insurance would beyond doubt remove the proceeds of the policies from the gross estate of the assured for estate tax purposes, the agent would stand in a poor light if, on the basis of the court of claims decision alone he should cause a rewriting to take place sacrificing old insurance that carries a lower rate and that has income and other benefits that cannot be purchased today.

As a matter of fact, the opinion of

tax experts differs on the significance of the Bailey case.

The court of claims decision seems to upset the theory that if the assured possessed none of the incidents of ownership, none of the proceeds, regardless of amount, are taxable except where the policy was transferred in contemplation of death. If the treasury department should get a decision to that effect from the U. S. Supreme Court, it would be distressing, but to recommend the drastic step of rewriting existing insurance in anticipation of such an unfavorable verdict is frowned upon in responsible quarters.

### Aetna Life Convention

The Aetna Life is making plans for its western regional conference to be held at the Broadmoor Hotel, Colorado Springs, Colo., Sept. 5-8. The conference will start the afternoon of Sept. 5. This will be followed by sessions the next two mornings. A golf tournament will take place the afternoon of Sept. 7 and the president's dinner will take place that evening. The general agents will hold a meeting the morning of Sept. 8.

The following expect to attend the conference from the home office: M. B. Brainard, president; S. T. Whatley, vice-president; R. B. Coolidge, superintendent of agencies; A. H. Hiatt, Jr., superintendent of agencies; N. M. DeNezzo, field supervisor; E. H. Snow, field supervisor; E. M. Reed, agency assistant; E. E. Cammack, vice-president and actuary; Murray Waters, vice-president; W. H. Dallas, vice-president; Dr. D. B. Cragin, medical director; C. B. Morcom, vice-president; Aetna Casualty; C. G. Halliwell, vice-president, Aetna Casualty; H. E. Wright, assistant auditor; I. F. Cook, assistant secretary; Logan Bidle, assistant secretary; L. K. Babcock, secretary, casualty claim division.

## "THE WORLD OF TOMORROW"

The New York Fair has made this a popular phrase. At the fair marvelous exhibits seek to give spectators a preview of the future.

The World of Tomorrow will be a much happier place because of the Life Insurance that was sold yesterday.

There is no other plan which makes it possible for a man to project his present earnings into the World of Tomorrow, with the assurance that if he dies his beneficiary will receive the amount he started out to save.

The 3,500 Shield Men in the field are helping their policyholders plan a World of Tomorrow free of financial dependence.

## The NATIONAL LIFE AND ACCIDENT Insurance Company, Inc.

C. A. CRAIG, Chairman of the Board

C. R. CLEMENTS, President

HOME OFFICE  
NASHVILLE

NATIONAL BLDG.  
TENNESSEE

## EDITORIAL COMMENT

### Keeping One's Eye on the Ball

EVERY life man carrying the rate book needs to keep his wits sharpened, his mental faculties alert and his zest for results maintained. Success in salesmanship means constant practice. We might well use the illustration of baseball pitchers who as a general rule are very poor batsmen. This is due undoubtedly to the fact that they take part in the game only every four days or so. They do not have the opportunity to hit the ball as do the members of the team in other positions who are working every day. The latter learn to keep their eye

on the ball, study its curves, breaks, and endeavor to hit the sphere regardless of the tricks it is performing. The pitchers do not get sufficient practice to become efficient and hence their batting average is down.

The life insurance salesman who is spasmodic in his work also loses in efficiency. He is missing the ball because of lack of practice. The fellow who is keeping his eye on the ball and studying ways and means of hitting it will find that his production average is increasing.

### Better Living for the Agents

NEVER before have life companies and their agency executives given such thoughtful and praiseworthy attention to the field forces as they are now. Scientific, logical, workable methods are being adopted to the end that the man with the rate book is being put on a higher plane, both so far as his prestige is concerned, and also income. The old method of trying everybody out is being discarded. Today the companies are becoming far more selective at the source. They realize the fact that unless they can reach a point where their field men are comfortable and satisfactorily compensated there will continue to be an enormous turnover, lapses will be too heavy and unnecessary waste will be found.

There are three objectives that most companies now have in view. First, they desire their men to be able to make enough money to pay their current ob-

ligations. They are not encouraging extravagance and luxury. They do realize that a life insurance man should live comfortably, possess peace of mind for himself and his family so far as his living conditions and environment are concerned. Next, he should be able to make enough to continue living on a scale that befits his position. The mind of the life insurance agent should not be continuously harassed by not being able to earn enough to live well so that his sales efforts will be greatly handicapped. Next, he should not only receive enough compensation to enable him to pay his bills, to live comfortably and satisfactorily, but he should also have a residue to build up a reserve and savings account. That is the material side and it is vastly important.

If a producer is not able to make the grade, he should not be continued. Let us aim at fewer but better agents.

### Keeping Within One's Own Group

THERE are a few geniuses in life insurance production who in spite of all obstacles have risen to the heights. They possess something of the divine afflatus, something of a superman. They are gifted in an unusual way. Most men are plodders and it is well that they are. We would be in an undesirable state of mind for work if we were all prodigies and heaven born. While all of us, regardless of our native and acquired talents, should have a goal and we should not develop an inferiority complex, yet it behooves us to know ourselves quite well and not attempt the impractical or impossible.

It is seldom that a man entering life insurance moves very far above or be-

yond his accustomed habitat. He has formed a circle of friends. He moves in a certain social class. His conversation, his manners, his outlook are attuned to a well fixed environment. He is at home in that atmosphere. When by artificial means he attempts to circulate in a more rarefied medium he is not at home. It is very true that one by study, observation and training can greatly improve his lot.

The gist of it all is that an insurance salesman should thoroughly understand himself, his requirements, his ability and should therefore, map out his sphere of activity.

The other day we heard of a man who entered life insurance work, who

had been selling supplies to bakeries. He moved in his own circle and in that he was listened to attentively. He felt that he wanted to consort with those whose incomes were in the higher brackets and whose names were in the society columns of the papers. He became associated with four or five important clubs and found himself out of

his element. He was losing ground all the time. His manager gave him some good advice. He told him to resign from these clubs and if he found it desirable, to unite with one or two where his friends and those in his own level participated. It is well, of course, to hitch our wagon to a star but the star should not be too distant.

## PERSONAL SIDE OF THE BUSINESS

**C. S. Schilling**, general agent Ohio State Life, Newark, O., has just completed six years of consecutive weekly production.

**Harold E. Tabor**, for the past eight years assistant superintendent for Prudential at West Warwick, R. I., has been appointed superintendent at Pittsfield, Mass. He succeeds Superintendent McGregor, deceased.

**Joseph F. Skrinar**, Joliet, Ill., a life agent for many years, is now associated with the Mutual Benefit Life, working through the Cook general agency of Chicago. Mr. Skrinar established and still holds the world's record for number of applications secured in a single month. He wrote 731 applications for \$838,650 in May, 1927, while with the old Peoria Life. In 1937-38 he was president of the Joliet Life Underwriters Association.

**Miss Joy Luidens**, executive secretary of the Chicago Life Underwriters Association, is on a vacation to Bermuda. She will visit the New York Fair and take in some other sights in the metropolis. Miss Luidens is one of the most competent people in her specialty and has made a remarkable record.

President **M. A. Linton** of the Provident Mutual Life is spending his vacation at Banff, Can. He is one of the most enthusiastic and successful mountain climbers in the insurance group. He has scaled the Matterhorn in Switzerland in off seasons. He has climbed many of the peaks in the United States and Canada, belongs to the Rocky Mountain Climbers Club. His favorite sport in the wintertime is skiing. Mr. Linton is a many-sided man and enjoys his sports as much as his work.

**Harry W. Anderson**, assistant superintendent of agencies of the Travelers, was a visitor in Chicago for a day. While there he conferred with department heads and also agencies representing the Travelers in Chicago.

**J. L. Carroll** of Seattle is the first qualifier for the Washington Quarter Million Round Table, sponsored by the Washington State Life Underwriters Association and the Life Managers Association. He is the leading producer of the Western Life and president of its Pinnacle Club.

The Indianapolis office of the Equitable Life of Iowa is boasting a state woman's golf champion in **Miss Harriett Randall**, a member of the office force, who won from the Indiana champion, Miss Elizabeth Dunn. Miss Randall has won the city championship three times, but never was able to defeat Miss Dunn before. She was runnerup for the state championship in 1935 and 1936,

being defeated both times by Miss Dunn, who is an eight-time winner. Miss Randall began playing golf when 8 years old and now is only 21.

**Dr. J. E. Walker**, president of the Universal Life of Memphis and president of the National Negro Business League, addressed the Chattanooga chapter of the league. Dr. Walker, a Mississippi farm hand, worked his way through school and became a physician.

**F. I. McGraw**, underwriting secretary Bankers Life of Iowa, has improved satisfactorily from his recent major operation, and expects to leave the Iowa Methodist hospital shortly.

Stricken with appendicitis while in Columbus, Ga., **R. H. Terry** of the Provident Life & Accident home office was taken to a hospital where an operation was performed. He is now on the road to recovery.

**T. F. O'Keefe**, Detroit general agent Connecticut General Life, was elected president of Optimist International at the convention in Richmond, Va. He is a past president of the Qualified Life Underwriters of Detroit.

Completion of 20 years with the home office of the Volunteer State Life was celebrated by **Dr. John B. Steele**, vice-president and medical director, July 16.

**Harold Ames**, assistant manager of the ordinary department of the Prudential in St. Paul and immediate past president of the St. Paul Life Underwriters, has been named foreman of the federal grand jury which will investigate the WPA riots in Minneapolis earlier this month.

**Glenn A. McTaggart**, manager ordinary department of the Prudential in Denver, has been named a member of the state commission for the blind by Governor Carr.

**Ray B. Lucas**, Missouri insurance superintendent, is being considered as one of the choices for gubernatorial candidate to succeed Governor Stark, who is expected to run for the senate the next election.

## DEATHS

**Mrs. L. C. Bradley**, 45, wife of the vice-president and agency director of the Fidelity Union Life, died in Dallas after a long illness.

**Tunis C. Ross**, 57, for some years with the Provident Mutual Life in Detroit, died after an illness of five months.

The Ohio State Life commemorated the 33rd anniversary of its organization Tuesday. The week has been designated by President Claris Adams as Loyalty Week.

## THE NATIONAL UNDERWRITER



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LIFE INSURANCE EDITION  
PUBLISHED EVERY FRIDAY



## NEWS OF THE COMPANIES

### Gains Are Reported by Northwestern

Northwestern Mutual Life had an aggregate of \$3,898,379,668 of insurance in force on 1,048,304 policies as of June 30, 1939, compared with \$3,863,007,650 and 1,034,133 policies a year earlier, according to the figures for the first six months of 1939. New paid insurance for this period amounted to \$97,463,854 represented by 28,370 policies, a decrease of 8 percent from a year before. That sum is exclusive of revivals and dividend additions which totalled \$7,647,458, and also of 406 life annuities for \$1,427,286 written during the first half of this year.

In his report to the board of trustees, President M. J. Cleary said total income for the first six months amounted to \$105,656,725, which included premium income of \$64,850,068, and interest and rents of \$26,081,585. Disbursements during the same period totalled \$76,305,879, and included payments to policyholders and beneficiaries of \$56,887,882. Of the latter amount \$23,416,674 were paid on 5,785 death claims, and \$16,597,876 were paid out in dividends. In addition there were \$7,605,762 in payments under installment and option settlements. Total taxes amounted to \$2,702,426. Income exceeded disbursements by \$29,350,845, which represents the increase in ledger assets by that amount for the first half of this year.

#### Assets Increase \$54,000,000

As of June 30, the Northwestern Mutual Life had total assets of \$1,261,547,811, compared with \$1,206,788,903 at the same date last year, showing an increase of \$54,758,907.

In the ledger assets shown in the semi-annual statement, investments included bonds with a book value of \$728,839,785, which is \$73,215,552 higher than a year ago. The largest increases were shown in federal, state, county and municipal bonds which were \$38,105,893 higher, and public utility holdings up \$39,698,582. Mortgage loans were reported at \$310,468,606, an increase of \$55,152. They consisted of \$228,947,352 in city loans, a gain of \$1,577,896, and \$81,521,254 in farm mortgages which declined \$1,022,744. Policy loans on June 30 stood at \$161,614,673, showing a decrease of \$12,854,484 from the total of a year ago. Other items making up the assets included cash of \$7,169,559.

#### Report on Homesteaders Life

The Iowa department has issued its report on the examination of the Homesteaders Life of Iowa as of Oct. 31, showing assets \$4,633,308 and surplus \$117,742. The examiners criticised the high acquisition expense and small surplus. They recommended a strict economy program.

#### Two New Assistant Secretaries

Carl H. Page and A. D. Hoy have been appointed assistant secretaries of the Central Life of Iowa.

Mr. Page, a graduate of the Wharton school of the University of Pennsylvania, has been with the Central Life five years, in charge of the personnel

department. Mr. Hoy, former chief examiner in the Illinois insurance department, has been with Central Life six years as head of the correspondence department.

#### Matthews' Liability Upheld

The Nebraska supreme court has upheld a Lancaster county (Lincoln) district court ruling that Jack Matthews, former president Cosmopolitan Old Line Life, is still liable for \$191,300 for alleged breach of trust despite the fact the company was released from obligation.

Matthews had contended the original court decree was a joint judgment and therefore he was released from liability with the company.

#### Miles Is Elected a Director

Hooper S. Miles, executive vice-president Baltimore National Bank and state treasurer of Maryland, is a director of Continental American Life. He is a director of the United States Fidelity & Guaranty of Baltimore and is a substantial policyholder in Continental American.

#### Report on Hotel Men's Mutual

The Illinois department has made a report of the examination of the Hotel Men's Mutual Benefit, 58 East Congress street, Chicago. It is an assessment legal reserve life company and the examination is made as of Dec. 31. It shows assets \$50,227, surplus \$11,592. The report says the treatment accorded policyholders in adjustment and settlement of death claims has been most favorable. The only officer drawing a salary is the secretary-treasurer, Earl L. Thornton. Its premiums for the year were \$22,244, total income \$22,971, paid policyholders \$8,200, total disbursements \$20,459. It has in force \$451,500.

#### Service Life in Own Building

The Service Life of Omaha, headed by John A. Farber, president, is now located in its own building, a former bank building recently purchased.

C. L. Philipp, president of Union Refrigerator Transit Company of Milwaukee, has been elected a trustee of Northwestern Mutual Life. He is the son of the late E. L. Philipp, former governor of Wisconsin.

## CHICAGO

#### DOBBS PERSONNEL CELEBRATES

Ten years of efficient service to the insurance offices of Chicago are being celebrated this month by the Helen Dobbs Personnel agency, Insurance Exchange, Chicago. It was in 1929, a year after the annex was opened, that the agency which has provided many offices with secretaries, stenographers, policy writers, bookkeepers and others, moved into the Insurance Exchange. Now Miss Dobbs reports June and July were the two busiest months her personnel agency has experienced. Miss Dobbs

has placed many thousands of insurance workers. She reports a demand for experienced secretaries, policy writers and other types of help which at present she cannot fill. Some of the positions open to women call for salaries up to \$30 weekly.

#### RELiance LIFE SURPRISE OUTING

Manager W. C. Peck was host to agents of the Illinois department of the Reliance Life at a surprise outing and dinner Monday. Leaving for an unannounced destination, the caravan drove to Oak Forest Infirmary, where the agents had ample opportunity to study face to face the problem of old age without income.

The group was then taken to Olympia Fields for swimming, golf and other sports, followed by a steak dinner. The dinner was originally scheduled as a steak-for-the-winner, hamburger-for-the-loser affair in connection with the June contest. However, since less than \$5,000 of business separated the two teams, Manager Peck "compromised" on steak for all.

Following the dinner plans were made and quotas accepted for August. Ray H. Wertz, associate manager of the Michigan department, who was attending the Research Bureau school, was a guest. The department's June paid busi-

ness surpassed June, 1938, by over 55 percent. Paid business the first three weeks of July is more than double that for all of July, 1938.

#### AGENCY PAYS FOR SIX MILLION

The Bruce Parsons agency of Mutual Benefit, Chicago, paid for over \$6,000,000 for the year ending July 19. This is a 60 percent increase over the preceding fiscal year, the agency having been organized July 19, 1937.

R. F. Bierbaum led in total volume and N. E. Anderson in total lives insured. The Parsons agency now has 36 producers.

#### ALLISON AGENCY OUTING AUG. 14-16

The Norman K. Allison agency of the Connecticut General Life in Chicago will hold its annual outing at Lake Delavan Aug. 14-16. Agents who qualify in a June 1-Aug. 12 drive will be guests with their wives. The agency is ahead of its six months quota.

#### OVERCOMING THE SLUMP

Some of the Chicago offices say that they have overcome the slump in new business the first three and a half months of the year and they are gradually working up to the 1938 figure. The grand rush in December seemed to drain agents dry of prospects. They are just

## BUILDERS of MEN

"GUARANTEE MUTUAL MEN MUST SUCCEED"

*Our Definite  
Plan—Its Results*

#### Step No. 3 FINANCING

The old question of whether a definite plan of financing new agents actually has merit has been fully proven as represented by the illustrations shown here.



Percentage of successes in Group Number One

Group Number One represents the percentage of successes as the result of operating on a combination salary and commission contract.



Percentage of successes in Group Number Two

Group Number Two represents the smaller percentage of successes operating on a strictly commission plan.

A difference of about 44% indicates the advantage secured by use of the combination plan of compensation.

By providing this combination plan of compensation we recognize the company's responsibility to general agents.

If you are interested in details of our plan, consult  
A. B. Olson, Agency Vice-President

## GUARANTEE MUTUAL LIFE COMPANY

OMAHA, NEBRASKA

ORGANIZED 1901

Licensed in Twenty-two States

### AGENCY INSTRUCTOR

Eastern company writing non-cancellable accident and health and legal reserve life insurance has opening in central states for agency instructor. Applicant must have good accident and health production record and be in position to travel.

Write giving details of qualifications. All replies treated with strict confidence.

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Chicago

# EIGHT DECADES OF EQUITABLE G

## 1859-1868

Equitable founded by Henry B. Hyde and Associates, July 26, 1859.  
 Year 1860 started with \$1,144,000 of Insurance in Force, and Assets of \$117,102.  
 First Death Claim, for \$5,500, paid (1860).  
 Famous Statue Group, "Protection", introduced in Equitable Policy Headings (1860).  
 Conditional (Binding) Receipt to protect applicants during issuance of policy first employed by Equitable (1862).  
 Equitable Assets passed Million mark (1864).  
 First 5-year Dividend paid to Policyholders (1865).  
 Annual Dividends authorized (1867).  
 Total Insurance in Force passed \$100,000,000 (1868).  
 Limit of risk increased to \$50,000 (1868).

### Contemporary Events

First petroleum well opened in Titusville, Pa. (1859).  
 First Pony Express between Sacramento, Cal. and St. Joseph, Mo. (1861).  
 Start of Civil War, April 15, 1861.  
 Lincoln's Emancipation Proclamation, Jan. 1, 1863.  
 Battle of Gettysburg, July 1, 2, 3, 1863.  
 Lincoln's Gettysburg Address, Nov. 19, 1863.  
 Maximilian made Emperor of Mexico (1864).  
 Civil War ended (1865); Lincoln Assassinated.  
 13th Amendment Abolished Slavery (1865).  
 First Atlantic Cable Laid (1866).  
 Alaska purchased by United States from Russia (1867).

## 1869-1878

Travel and Residence liberalized; Grace in Payment of Premiums first allowed (1869).  
 First Home Office Building at 120 Broadway, N. Y. completed (1870).  
 Equitable Policy Payments in Single Year reached \$3,646,290 (1872).  
 Henry B. Hyde elected President on the death of William C. Alexander (1874).  
 Payments to Policyholders and Beneficiaries totalled \$5,000,000 during year 1878.

### Contemporary Events

U. S. Grant elected President (1869).  
 Franco-Prussian War, July-Sept. 1870.  
 Introduction of antiseptic surgery (1870).  
 Great Chicago Fire, Oct. 9-11, 1871.  
 Block signals for railways invented (1872).  
 Disastrous panic in New York, with widespread bank failures. N. Y. Stock Exchange closed for ten days (1873).  
 Disraeli made Prime Minister of England (1874).  
 Constitution of the Republic of France formed (1875).  
 Telephone invented by Alexander G. Bell (1875).  
 Rutherford B. Hayes inaugurated 19th President of the U. S. (1877).  
 Edison invented Phonograph (1877).

## 1879-1888

Three-Year Incontestable Clause introduced (1879).  
 William Alexander elected Secretary (1880).  
 Equitable policies first granted to women (1880).  
 Sub-standard Ratings introduced for Hazardous Occupations (1880).  
 System of Immediate Payment of Death Claims inaugurated (1881).  
 Survivorship Annuity introduced (1881); Life Annuity (1883).  
 Assets passed \$50,000,000 (1883).  
 Equitable limit of risk on single life increased to \$100,000 (1884).  
 Full Freedom of Travel and Residence granted (1886).  
 Two-Year Incontestable Clause introduced (1886).  
 Equitable Home Office Building reconstructed and enlarged (1887).  
 Insurance in Force \$500,000,000 (1888).

### Contemporary Events

Edison developed Incandescent Lamp (1879).  
 Gasoline motor invented by Selden (1879).  
 President Garfield assassinated (1881).  
 Panama Canal started by French but not completed (1882).  
 Discovery of Inoculation for Rabies by Pasteur (1884).  
 Grover Cleveland inaugurated 22nd President of U. S. (1885).  
 First Trolley Cars in U. S. (1885).  
 Washington Monument dedicated in Washington (1885).  
 Great Blizzard of 1888, March 12-14.  
 Inventions patented: Linotype Machine (1884); Cash Register by Patterson, (1885); Adding Machine by Burroughs (1888); Transparent photographic film by Eastman (1888).

## 1889-1898

100,000th policy issued (1895).  
 Total Assets reached 100 Millions (1889).  
 Right to Change Beneficiary introduced (1894).  
 Assets reached \$200,000,000 in 1895.  
 Guaranteed Cash Values, also Policy Loans, introduced in 1896.  
 Limit of risk on one life increased to \$200,000 (1896).  
 Spendthrift Clause for protection of Beneficiaries introduced (1898).  
 Continuous Instalment Policy introduced (1898).

### Contemporary Events

Benjamin Harrison inaugurated 23rd President of U. S. (1889).  
 Johnstown Flood, May 31, 1889—2209 lives lost.  
 Inventions patented: Alternating Current Motor; Color Photography (1892).  
 Grover Cleveland inaugurated 24th President of U. S. (1893).  
 Edison developed Kinetoscope (Moving Picture apparatus) 1893.  
 Ford built his first successful automobile (1893).  
 Financial Panic and Business Depression (1893).  
 X-Ray discovered by Wilhelm Konrad Roentgen (1895).  
 Gold discovered in Klondike (1896).  
 William McKinley inaugurated 25th President of U. S. (1897).  
 Queen Victoria's Diamond Jubilee (1897).  
 U. S. Battleship "Maine" blown up in Havana Harbor, Cuba, Feb. 13, 1898; 260 lives lost.  
 Radium discovered by M. and Mme. Curie (1898).

# THE EQUITABLE LIFE ASSURANCE S

393 SEVENTH AVENUE, NEW YORK, N. Y.



# GROWTH AND PROGRESS

## 1899-1908

James W. Alexander elected President on Death of Henry B. Hyde, Founder.  
Insurance in Force passed One Billion; Total Assets 400 Millions.  
Automatic Surrender Values and Extended Term Insurance introduced (1900).  
Convertible Policy introduced (1905).  
Paul Morton elected President (1905).  
Grover Cleveland appointed Chairman of Board of Trustees (1906).  
N. Y. State Standard Policy Forms introduced (1907).

### Contemporary Events

President McKinley assassinated (1901).  
Theodore Roosevelt elected 26th President of U. S.  
Death of Queen Victoria—Coronation of King Edward VII (1902).  
Mt. Pelee (Martinique) eruption May 8, 1902.  
Pacific Cable completed, San Francisco to China (1902).  
Marconi's First Radio Message (1902).  
First Successful Aeroplane Flight by Wright Brothers, Kitty Hawk, N. C. (1902).  
First New York subway opened (1904).  
San Francisco Earthquake, April 18-19, 1906.

## 1909-1918

50th Anniversary celebrated by The Equitable (1909).  
Assets reached \$479,900,419; Insurance in Force, \$1,335,347,979.  
Corporate Policy introduced.  
Group Life Insurance inaugurated by Equitable (1911).  
Refund and Cash Refund Annuities introduced (1911).  
Death of Paul Morton—Judge Day elected President (1911).  
Equitable Building, 120 Broadway, destroyed by fire (1912).  
First Disability Waiver Clause introduced (1912).  
New Equitable Building opened, 120 Broadway (1915).  
Total Payments to Policyholders and Beneficiaries since organization reached \$1,000,000,000 (1916).  
Double Indemnity Accident provision introduced (1917).

### Contemporary Events

William H. Taft inaugurated 27th President of U. S. (1909).  
Admiral Peary Discovered North Pole (1909).  
First Aeroplane Crossing of English Channel by Louis Bleriot (1909).  
George V. of England crowned upon death of Edward VII (1909).  
South Pole discovered by Amundson (1911).  
First Aeroplane Flight across U. S. by C. P. Rogers (1911).  
Hydroplane invented by Glenn H. Curtiss (1911).  
S.S. "Titanic" hit Iceberg off Newfoundland, 1517 lives lost (1912).  
Woodrow Wilson inaugurated 28th President of U. S. (1913).  
Panama Canal opened (1913).  
Parcel Post System inaugurated in U. S. (1913).  
World War begun in Europe (1914).  
"Lusitania" sunk by submarine, 1198 lives lost (1914).  
Trans-continental telephone opened (1914).  
U. S. entered World War, April 6, 1917.  
Armistice declared Nov. 11, 1918.  
Influenza Epidemic; Over \$100,000,000 paid in Death Claims by American companies (1918-1919).  
Woman Suffrage Amendment passed (1918).

## 1919-1928

Group A. & H. added to Group Coverage (1920).  
Insurance in Force reached Three Billions in Oct. 1922.  
Accidental Death and Dismemberment added to Group (1922).  
Home Office Building at 393 Seventh Avenue completed (1924).  
Complete Mutualization of Society (1917 plan) in 1925.  
Non-Medical Insurance granted Policyholders (1926).  
Salary Savings Insurance introduced (1926).  
Group Annuities introduced (1927).  
Judge Day made Chairman of Board and Thomas I. Parkinson elected President (1927).  
Insurance in Force reached Six Billions (1928).  
Assets reached One Billion (1928).  
Death of Judge Day (1928).

### Contemporary Events

Versailles Peace Treaty signed, June 28, 1919.  
Volstead Act (Prohibition Amendment) passed (1920).  
Suffrage for women in effect (1920).  
Warren G. Harding inaugurated 29th President of U. S. (1921).  
First American Radio Broadcasting Station opened in Pittsburgh, KDKA (1921).  
Union of Soviet Republics in Russia declared (1922).  
Calvin Coolidge inaugurated 30th President of U. S. on death of President Harding (1923).  
Insulin (for Diabetes) discovered by F. G. Banting, Canadian physician (1923).  
Television demonstrated (1927).  
Lindbergh's solo flight to Paris, May 20, 1927.  
Successful commercial radio-telephone communication between America and England (1927).  
Herbert Hoover elected 31st President of U. S. (1928).

## 1929-1938

Monthly Premium plan adopted (1929).  
Economic Adjustment Policy introduced (1931).  
Payments to Policyholders reached Three Billions (1933).  
Optional Retirement Policy introduced (1933).  
Equitable's 75th Anniversary—Insurance in Force \$6,143,158,113.  
Family Income Policy introduced (1934).  
Group Hospitalization introduced (1934).  
Assets passed Two Billions in 1937.  
Death of William Alexander, Secretary of Equitable 57 years, March 25, 1937.  
Equitable entered 80th ANNIVERSARY YEAR on July 26, 1938. Total Payments to Policyholders and Beneficiaries since Organization \$4,136,696,205.  
Insurance in Force, \$6,749,177,544.

### Contemporary Events

Stock Market collapse; financial panic (1929).  
Franklin D. Roosevelt inaugurated 32nd President of U. S. (1933).  
Bank Moratorium proclaimed (1933).  
"Century of Progress" Exposition at Chicago (1933).  
N.R.A. passed by Congress (1933).  
Renewal of diplomatic relations between U. S. and Soviet Russia (1933).  
Social Security Bill passed (1935).  
Death of George V of England (1936).  
Abdication of Edward VIII—George VI declared King (1936).  
Civil War in Spain (1936-39).  
Italian Conquest of Ethiopia declared May 9, 1936.  
Boulder Dam (Nevada) completed March 1, 1936.  
Mechanical Cotton Picker demonstrated by Rust Brothers (1938).  
New York World's Fair (1939).  
San Francisco World's Fair (1939).

# EQUITY SOCIETY OF THE UNITED STATES

THOMAS I. PARKINSON, PRESIDENT

getting around to a natural gait. While there was a large paid for record in January due to the overflow in December, the actual new business produced that month and the two succeeding ones was disappointing. While large buyers of insurance take life rather easy during the summer there are plenty of prospects for smaller policies.

#### SPEAKS TO LUSTGARTEN AGENCY

C. J. Zimmerman, Connecticut Mutual general agent in Chicago and vice-president National Association of Life Underwriters, spoke at the meeting of the Sam Lustgarten agency of the Equitable Society in Chicago on "The Job of Selling."

Milton Feuer, leading assistant agency manager of the Lustgarten agency of the Equitable Society in Chicago, is ill in the Passavant hospital with peritonitis.

## NEW YORK

#### JUNE SALES DOWN IN N. Y.

The New York City Life Underwriters Association estimates that the total sales of life insurance in New York City for June amounted to \$46,017,000 as compared with \$46,311,000 the previous year.

#### W. A. MOATS PROMOTED

W. A. Moats, group assistant of the Travelers in the New York, 55 John street branch, was promoted to assistant district group supervisor. He will continue to work in the greater New York area, operating out of 55 John street.

#### LEADS TO HIGHER POSTS

Selling is coming to be more and more appreciated as a stepping stone to top corporate executive positions, according to the Investors Syndicate's annual survey of graduates' employment prospects. The survey also indicates increased interest in insurance on the part of graduating classes, as well as greater demand on the part of the companies.

S. J. Berard, placement officer Brown University, reports that there has been an increase in the demand for men in the insurance field. A leading college for men in Indiana reports that "there is a strong swing to college men in the insurance companies."

A Connecticut college reported that "all the Hartford insurance companies are hiring our men." A nationally known Massachusetts college stated that "we are placing some of our graduates this year with leading life insurance companies." A nationally known Kentucky college observed that "insurance companies are seeking men to grow with their business."

Of the nine large corporations listed in the report on the survey as frequent campus recruiters, two are insurance companies, Aetna Life and Travelers.

#### Texas Assessment Company Rule

AUSTIN, TEX.—Statewide mutual assessment companies operating under Sections 1-20 of Article 4859f will not be permitted in arriving at net taxable premiums under Article 7064a to deduct from the gross premiums as acquisition cost the first year premiums paid during the first year after a transfer to the association, the attorney-general has ruled. Commissioner Woodward raised the question in regard to the report of the Protective Life of Brownwood.

#### Report on Savings Bank Plans

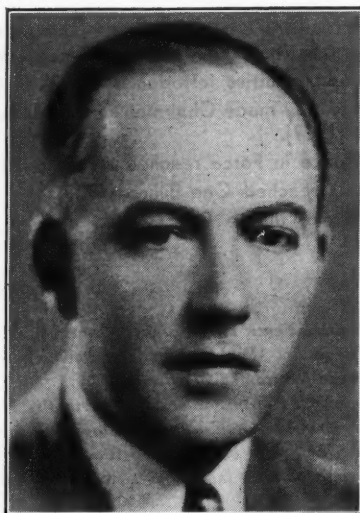
In the first six months only \$4,215,200 insurance was issued under the New York savings bank plan. In Massachusetts the savings bank plan showed a gain of over \$3,000,000 in paid business for the six months with a total of \$13,622,264.

Prospect with accident and health. Read *The Accident & Health Review*. \$2 a year. 175 West Jackson Blvd., Chicago.

## LIFE AGENCY CHANGES

### Will Take Charge of Chicago Agency

A. B. Houle, who has been general agent at St. Paul for the Massachusetts Mutual, will return to Chicago to take charge of the agency formerly headed by John H. Dingle, who resigned some weeks ago, located in One LaSalle



ARCH B. HOULE

Street building, Chicago. He was associated with the E. W. Hughes Chicago agency as supervisor a year before going to St. Paul. He graduated from the Sheldon School of Science of Business and went with the Mutual Benefit under A. A. Drew, general agent, as instructor of agents. Paul W. Cook, now one of the Chicago general agents, succeeded him in that capacity. He became a personal producer and sold a substantial volume each year. He qualified for membership in the million dollar round table in 1936. He specialized on business insurance. Under his direction the St. Paul agency showed a 91 percent gain in average monthly sales after he took charge.

#### R. W. Fischer in New Post

Ralph W. Fischer has joined the Morton & Morton agency of Connecticut Mutual in St. Louis as supervisor in charge of personnel. Mr. Fischer's father was a successful general agent from 1887 until his death in 1923. Ralph W. Fischer went with Northwestern Mutual in 1920. Following his father's death he became general agent and agent for Penn Mutual from 1923 to 1936. For the next two years he was manager for Bankers Life of Iowa in Kansas City. He is a past president of the C.L.U. chapter, of St. Louis and Kansas City.

#### Bair Amarillo General Agent

The Capitol Life of Denver has appointed M. E. Bair general agent for Amarillo, Tex., and 25 surrounding counties. He has been regional supervisor of the Capitol since June, 1938.

#### Makes Harrisburg Appointment

Timothy J. Sullivan has been appointed general agent for Harrisburg and vicinity by Northwestern National Life. He has had 16 years' experience in the business. He formerly was with Equitable Society, first on a part-time basis, later as a full-timer, and the past six years in a managerial capacity. He is a past president of the Harrisburg Association of Life Underwriters.

#### Baggott Succeeds Appleman

R. A. Baggott of Seattle has been named general agent in Washington for

the National Life of Vermont to succeed Leo C. Appleman, who resigned to resume personal production in Los Angeles. He is a native of Wenatchee, Wash., and attended the University of Washington.

#### McMahon Assistant General Agent

F. E. McMahon, general agent for Aetna Life at Minneapolis, has appointed James M. Tuthill assistant general agent.

Mr. Tuthill has been with Aetna three years and has been in the business in Minneapolis 15 years. He was born in Missouri. He has a large following of clients. One year ago Mr. Tuthill became supervisor in the Minneapolis office.

#### Gauthier to Detroit

H. G. Gauthier, with the group department of the Travelers in Kansas City 12 years, has been appointed assistant manager of the group department for the Detroit-Grand Rapids division, with headquarters in Detroit.

#### Alton Arizona General Agent

H. M. Alton has been appointed general agent in Arizona by the Kansas City Life, with headquarters in Phoenix. Wesley M. Douglas will be associate general agent.

#### Names Rotz in Central Illinois

Lawrence Rotz has been appointed general agent for central Illinois by Provident Mutual Life with offices in Decatur. He succeeds Merrill W. Colby who died recently.

Mr. Rotz has been associated with Provident Mutual in Decatur for the past 12 years and served as supervisor of the agency prior to his recent appointment. He has a successful sales record, having earned membership in the Provident Leaders Club for each of the last nine years.

#### M. L. Schmidt Michigan Head

M. L. Schmidt, who for the last three years successfully managed the Flint agency Northern Life of Canada, has been appointed state agent for Michigan. He will make his headquarters in Flint and be in charge of organization throughout the state. He will have authority to appoint general agents in the key cities of Michigan.

A. H. DeBorst, however, continues as manager of the Grand Rapids agency.

Wiley Wyatt, formerly supervisor for the Travelers at Columbus, has become

### General Agent Appointed at Washington, D. C.

James A. DeForce, prominent agent of Washington, D. C., has been made

general agent there by Continental American Life, effective Aug. 1. He is a native of the far west, and has been active in life insurance at Washington for a number of years. He is past president District of Columbia C.L.U. chapter and public relations chairman and director District of Columbia Life Underwriters Association. Mr. DeForce has been a consistent producer for years, and also is a capable supervisor and trainer of men. Before entering life insurance work he had experience in business and at one time was connected with the Department of Commerce.

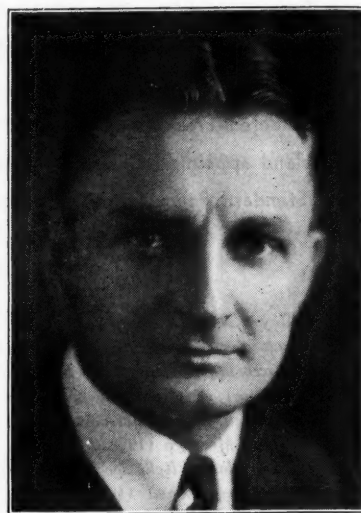


JAMES A. DEFORCE

### Phipps Joins Parsons Agency in Chicago

D. Miley Phipps has joined the Bruce Parsons agency of Mutual Benefit Life, Chicago, as unit manager. He goes to the Parsons agency from the Chicago agency of Northwestern Mutual.

Mr. Phipps has a background of 15



D. MILEY PHIPPS

years in the business. In 1925 he opened the northwestern Pennsylvania territory for Standard of Pittsburgh and became state manager for Continental Assurance in 1927. He then went to its home office, becoming director of field service, educational director and finally superintendent of agents. He went with Northwestern Mutual in 1938.

He is vice-president of the Chicago Association of Life Underwriters, and a past director of the Chicago C.L.U. chapter. A supervisor and instructor at Northwestern University, he is an authority on estate planning and programming, and teaches business insurance, tax problems of estates and business and pension trusts.

Mr. Phipps graduated from Westminster College, New Wilmington, Pa., and took post-graduate work at Northwestern University.

supervisor of the Aetna Life there, under the direction of General Agent E. C. Deckard. He succeeds Ross Deckard, a nephew of E. C. Deckard, who has purchased the Franklin Insurance Agency at Newark, O.

Fowlkes & Fowlkes, Birmingham, Ala., general agents Provident Mutual Life, have appointed H. M. Nunnally who has been with the agency since 1932, supervisor of agents. Mr. Nunnally recently was elected president of the Birmingham Association of Life Underwriters.

Claude Fisher, Des Moines, general agent Connecticut Mutual Life, has appointed M. L. Shugart district agent in charge of the Council Bluffs, Ia., district.

Charles Gram, agency manager Kansas City Life in Portland, Ore., for 23 years, has been appointed special representative with new offices in the Yeon building. He will specialize in servicing old policyholders.

#### St. Louis Men Leaders

Fred G. Bentrup and W. A. Hayes of the St. Louis office of the Sun Life of Canada are president and vice-president, respectively, of the Macaulay Club by virtue of production. Mr. Bentrup led all of the company's representatives throughout the world in sales, while Mr. Hayes finished the club year in second place.

Read *The Industrial Salesman*. \$1.25 a year. 420 E. Fourth Street, Cincinnati.



## LIFE SALES MEETINGS

### Texas Regional Held by Minnesota Mutual

NEW BRAUNFELS, TEX.—The Texas regional convention of the Minnesota Mutual Life was marked by that friendly informal atmosphere which characterizes meetings under the direction of President T. A. Phillips and his associates, Harold J. Cummings, vice president and superintendent of agencies, and Horace F. Beckham, field manager. George E. Nowotny, New Braunfels general agent, was host.

Mr. Cummings urged agents to study the company sales material for new ideas to its use in more effective presentations. Regional conventions are being held so as to reach more men and help them with their problems, he said. He suggested that general agents bring worthwhile prospective agents with them so that these men may become better acquainted with the company, its methods and ideals.

The wise agent will base his sales talk on the needs and problems of the prospect rather than a comparison of competitive data, Mr. Cummings said. "The minute you start making comparisons that minute you quit selling."

#### Demonstrates "Incommeter"

Mr. Cummings gave a demonstration of the company's "Incommeter" in arousing the interest of the prospect and in getting the prospect to work out his own insurance problem. The presentation is more effective when the prospect takes an active part in working out his own answers to the need for protection of his wife and children with provisions for food and clothing, a home, education, and for old age protection for the prospect. He then has a much clearer understanding of what his insurance will do and has a more vivid picture of needs than can otherwise be given him. The use of the chart, Mr. Cummings stated, builds respect for the agent and sells insurance.

#### Better Selection to Check Lapses

Mr. Cummings discussed the problem presented by lapsing of policies. If the agent will rate prospects on a basis of what the agent knows about the occupation, income, and character of the prospect much lapsed business can be eliminated before it is written. A careful rating of prospects will prove both profitable to the agent and to the company through an improved persistency ratio. Mr. Cummings said monthly premiums are the greatest source of lapses. Several agents stated that they found it easy to change monthly payments to a quarterly, semi-annual, or annual basis by showing the policyholder his savings.

Mr. Beckham discussed the sale of group insurance, pointing out that there are a number of small groups which are overlooked in every town.

Russell H. Pearson talked on the value of a knowledge of taxes.

At the second session, David O. Johnson, San Antonio, Tex., general agent, presided. Mr. Cummings gave recognition to each general agency represented and its members, reviewing conservation records.

Charles McKenzie, Austin, Tex., gave a sales demonstration, using the "Incommeter" in charting the amounts needed to meet the economic problems of the prospect.

President Phillips closed the morning session with a running account of the problems which life insurance companies face.

#### Acacia Group in Salt Lake City

Officials and delegates of the Acacia Mutual Life, numbering about 250, spent a day in Salt Lake City on their return from the annual convention at Sun Valley, Ida. Heading the delegation were Vice-president L. K. Crippen and

Secretary S. E. Mooers. President William Montgomery left the party at Pocatello, having received an urgent business call from the northwest. Commissioner Neslen of Utah, president of the National Association of Insurance Commissioners, met the visitors at the station and was a guest at a special luncheon.

### Central of Iowa Has Indian Powwow at Eagle River, Wis.

The convention of the Central Life of Iowa at Eagle River, Wis., was in the form of an Indian powwow with President E. H. Mulock as "Heap Big Chief Bald Eagle." Each state was given an Indian name. More than 150 agents who had qualified for the meeting were in attendance.

Business sessions were called "council hours" and the dinners "powwows." "Heap Big Chief Bald Eagle" (Mr. Mulock) presented the president's trophy, a loving cup, to Walter Abernathy of Ottumwa, Ia., first winner of the trophy, which will be given each quarter to the agent showing the best increase over the previous year.

A highlight of the convention was "bank night" with Col. Jesse A. Todd of Oklahoma City as auctioneer. He struck a hard bargain with the agents, disposing of merchandise for Indian wampum. The Indian money could only be obtained during the qualifying months and only the holders of wampum could bid for the merchandise auctioned.

### Bankers Life Announces New Plan at Field Rallies

Six officers of the Bankers Life of Iowa have returned to the home office after conducting three agency managers' meetings, held at Cleveland, Chicago and Denver. The purpose was to announce and explain to the field staff the new low cost salary savings plan.

Home office representatives attending were W. W. Jaeger, vice-president; W. F. Winterble, director of agencies; M. E. Lewis, superintendent of agencies; T. H. Tomlinson, assistant superintendent of agencies; George McCreight, assistant medical director, and Roy Frowick of the sales training department.

#### Gottschall at Chipman Rally

W. L. Gottschall, Chicago, director of agencies Equitable Society, spoke at an educational conference and outing for 50 leading producers of the H. A. Chipman agency, Columbus, O., and their wives at the Westbrook Country Club, Mansfield, O. Other speakers were V. C. Smith, Columbus, and T. A. Ferns, Akron. The Chipman agency insured 292 lives for a volume of \$1,130,723 in the recent 30-day campaign, with the first premium collected with application on 88 percent of the business.

#### Lee at Salt Lake Meeting

L. F. Lee, president of the Occidental Life of North Carolina, en route from Raleigh to San Francisco, addressed an agency meeting in Salt Lake City. Commissioner Neslen of Utah also spoke. H. C. and C. F. Tebbs, general agents for the intermountain states, were in charge of the meeting.

#### Reliance Life Coast Conference

The Pacific Coast regional conference of the Reliance Life was held in San Francisco with J. N. Jamison, vice-president, as host at the reception and banquet. V. J. Adams, western agency supervisor, presided as general chairman. Among those appearing on the program of the three-day sessions, in addition to Vice-presidents Jamison and H. T. Burnett, were: S. L. Clark, Crockett; Kelsey Slocum, Portland; A. F. Holve, Los Angeles; N. J. Nelson, San Francisco; R. S. Buzard, Seattle; C. L. Cox,

## AMERICAN NATIONAL INSURANCE COMPANY

W. L. MOODY, JR.  
President

W. L. MOODY, III  
Executive Vice-President

GALVESTON, TEXAS

### GROWTH OF COMPANY

THIRTY-FOURTH ANNUAL STATEMENT, DECEMBER 31, 1938

GROSS INCOME ..... \$ 21,064,262.25

Increase over previous year, \$1,579,237.17

PREMIUM INCOME ..... 17,463,665.02

Increase over previous year, \$1,189,784.20

ASSETS ..... 74,672,002.62

Increase over previous year, \$7,251,122.00

INSURANCE IN FORCE ..... 704,193,732.00

Increase over previous year, \$32,564,307.00

PAID TO POLICYHOLDERS  
SINCE ORGANIZATION ..... 90,703,492.44



Industrial and Ordinary

Operating from Coast to Coast, from the Great Lakes to the Gulf, in Cuba, Puerto Rico and Hawaii

Friendly • Progressive • Strong

## Significant Facts

New paid for business up twenty-five per cent for first half of 1939 compared with same period last year.

June, 1939 up fifty percent over June, 1938.

Fifty per cent more representatives qualified as members of Aces' Club this year than last.

We have a few general agency openings in Maryland, West Virginia, North Carolina and Tennessee. If you can qualify and are interested in becoming associated with a Company whose philosophy of management is based on your success as an individual, write to

Robt. V. Hatcher, Superintendent of Agencies

Atlantic Life Insurance Company

Richmond, Virginia

Los Angeles; R. J. Morse, Portland; R. W. Earl, Portland; H. R. Breckenridge, San Francisco; Herman Malmberg, Seattle; J. O. Wing, Seattle; J. S. Marr, Los Angeles.

Among those receiving special production awards were: A. D'Amico, Los Gatos; E. F. Hansen, Oakland; H. A. Malmberg, Seattle; H. B. Rudd, Fresno; Hyman Rogal, Pittsburgh; C. L. Cox, Los Angeles; W. A. Rawlings, Oakland, and S. L. Clark, Crockett, Cal.

#### End Minnesota Mutual Meets

About 70 leading producers and company executives of the Minnesota Mutual Life will attend a sales conference

at Breezy Point Lodge, Brainerd, Minn., July 28-Aug. 1.

This will be the last of a series of regional meetings that have been going on all this month in various parts of the country.

#### Volunteer State 1940 Meeting

The 1940 convention of the Volunteer State Life will be held Aug. 5-7 at Look-out Mountain Hotel, near Chattanooga.

#### Set 1940 Convention Date

The General American Life will hold the annual meeting of its Production Clubs at the Ambassador Hotel, Los Angeles June 30-July 3, 1940.

## INDUSTRIAL FIELD NEWS

### Unity Life Signs Up with the Union

NEW YORK—The first union contract in insurance to provide guaranteed minimum earnings for industrial agents was signed by the Unity Life and the Industrial Insurance Agents Union, Local 30, affiliated with the United Office & Professional Workers of America, C. I. O.

Major provisions of the contract are: Average wage increase of 15 percent, four weeks sick leave with pay, vacations with pay, and sole and exclusive collective bargaining rights for Local 30, with arbitration of any grievances not settled by discussion.

The contract covers the 120 agents employed in the six district offices of the Unity Life in Greater New York. Six weeks of negotiations preceded the signing of the contract. The company was represented by E. R. Deming, president, and Lee Bailey, secretary.

#### Georgia Ruling Made

ATLANTA—Following extensive inquiry on behalf of company members of the Industrial Insurers Conference by Chairman H. T. Dobbs of the executive committee and other representatives, Governor Rivers of Georgia, announces the state law department has held that where provisions of the federal social security act cease to be operative, similar provisions of the Georgia unemployment compensation statute likewise become inoperative. The request for a ruling by the Georgia department of law was predicated on the decision of the United States Treasury department that employing units which are members of federal home loan banks are instrumentalities of the federal government, and in such instances the federal tax, levied under Title IX of the federal social security act, is inoperative.

The opinion affords relief from the Georgia tax to all industrial companies, which are qualified as instrumentalities of the federal government.

#### James Smithies Is Honored

SAN FRANCISCO—James A. Smithies, Pacific Coast superintendent of agencies for the Metropolitan Life, was guest of honor at a luncheon in San Francisco celebrating his 45th anniversary with the company. The Veterans' Association, composed of Metropolitan employees with 20 years or more of service, was host. Henry E. North, vice-president, presided and presented Mr. Smithies with a service medal.

Entering the employ of the Metropolitan at Manayunk, Pa., in 1894 as a clerk, Mr. Smithies served at various offices including New York City and Chicago. He was appointed superintendent of agencies in 1914, serving in five territories. He was transferred to the Pacific Coast in 1937.

John Cunningham of the educational division Metropolitan Life is acting manager at the Augusta, Me., office in place of D. J. Rice, retired.

### Innovations Shown in the Conference

The Industrial Insurers Conference, which has been breaking records of progress since Oct. 1, last, when it established a central office at Atlanta, and created a supervising executive secretary, has "out-recorded itself" by recent official acts of President F. P. Samford of the Liberty National Life of Birmingham, who is the conference head. In his committee appointments, he has included as a member of the committee on credentials the first woman member of a standing committee—Miss M. H. (Harvey) Chiswell, secretary People's Life of Washington, D. C. For two decades, Miss Chiswell had attended the sessions of the conference. Sixteen years ago, the late Secretary W. R. Lathrop of the Southern Life & Health of Birmingham, then president of the conference, inaugurated the official golf tournament, which has become one of the most interesting of the entertainments. On account of the increasing attendance of ladies at sessions, many of whom are par-shooters, it has been determined to hold a ladies golf tournament at the 1940 session. So President Samford has named Mrs. A. B. Langley, wife of the president of the Carolina Life of Columbia, a conference past president, as the first woman member of the golf committee.

#### NEWS BRIEFS

Nearly 150 agents of the Life of Virginia from 11 Georgia districts attended a barbecue at Macon, Ga. Home office executives in attendance include President Bradford H. Walker, Vice-President D. T. Townsend and Assistant Vice-president E. A. Crawford.

John J. Mulcahy, who has been district manager of the John Hancock industrial office at Yonkers, N. Y., has been made district manager at Lawrence, Mass., succeeding T. T. Donohue, retired. John F. Meehan, who has been manager in New Brunswick, N. J., succeeds Mr. Mulcahy in Yonkers. W. E. Bunter, who has been assistant manager at Hempstead, N. Y., is promoted to district manager at New Brunswick.

Harry G. Zelle, executive vice-president Missouri Insurance Co., St. Louis, assisted H. W. Shultz, Kansas district manager at Wichita, in an agency meeting there. J. Burford Hall of Wichita won a production contest with the award of an all-expense trip to the New York fair.

#### See Defeat of Amendments

WASHINGTON—Though consideration is still being given by the joint congressional committee of senate and house to the amendments to the social security act, which would bring all salesmen working on a commission basis (including insurance agents) within its scope, confidence is still expressed that the effort will be defeated, supporting the position taken by the senate finance committee.

## NEWS ABOUT LIFE POLICIES

By JOHN H. RADER

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem." Published Annually in May and March respectively. PRICE, \$5.00 and \$2.50 respectively.

### Central of Iowa Has New Policies

DES MOINES—Central Life of Des Moines has issued four new policies each designed to meet specific needs for average families.

The policies were announced at the Central Life's convention at Eagle River, Wis., at which President E. H. Mulock presided.

#### Family Protection Plan

The first policy is called the family protection plan and pays upon death \$20 a month until expiration of 20th year from date of issue and \$2,000 in cash at the end of the 20th year. For 35 years of age, the annual premium is \$66.56 and for immediate death would pay \$4,735.72, or at the fifth year \$4,195.18, 10th year \$3,568.54 or at the end of the 20th year or thereafter \$2,000.

The "100-75-50" policy costs \$73.49 annually for age 35 and pays \$100 a month the first year after death, \$75 a month the second year and \$50 the third year.

The new "50-345" policy is planned to be a follow-up on the 500-50 policy inaugurated the first of the year. The 50-345 costs \$45.89 annually at age 35 and pays \$50 monthly for the third, fourth and fifth years after death. The 500-50 policy pays a lump \$500 on death and \$50 the first and second years.

#### Seven-in-One Policy

The fourth policy is called the seven-in-one. It costs \$60.44 annually for age 35 and provides 21 years protection with premiums returned, 21 payments and policy becomes fully paid for \$2,000 with annual dividends, 21 payments and endowment at age 73, 29 payments and endowment at age 64, 30 payments and life policy with \$764 cash settlement, retirement income at age 60 or 65, and 30 payments with reducing premium endowment in 44 years.

### Connecticut Mutual Life Increases Commissions 5%

Starting Aug. 1, the Connecticut Mutual Life will pay 55 percent commission on ordinary life and all other annual premium policies of 35 payments or over, up to age 51. Commissions on graded premium ordinary life will be increased to 45 percent, with renewals of 10 percent for four years and 5 percent for five years. Term insurance commissions 35 percent and family income on ordinary life then continues at 55 percent. Commissions on retirement income have been reduced somewhat.

Juvenile insurance is being revised and will have the pay clause operative to age 25 in the event of death of the parent, grandparent or guardian. The payor clause will be available hereafter from ages 4½ to 15 and can be put on any regular plans for age 9½ and over.

#### Central States Policy

The Central States Life's new non-participating policy, called the "special life expectancy convertible term policy," may be converted at any time up to five years before expiration of the expectancy table. It offers three special conversion propositions on the whole life basis at present guaranteed rates. The first is available five years after the policy is issued, the second and third, five years before the original policy would expire. The minimum policy issued is \$2,500 and the maximum

\$60,000. The rates on the \$5,000 basis are:

Age at Issue	Age at Expiry	Annual Prem.	Whole Life Rate if Converted		Whole Life	
			5 Yrs. After Issue	5 Yrs. Before Expiry	Reduced Amount	Annual Prem.
20	62	\$49.90	\$73.00	\$238.45	\$2745	\$119.36
25	64	55.35	82.40	258.65	2675	123.20
30	65	61.65	94.80	270.50	2710	130.26
35	67	71.90	110.65	294.00	2675	136.43
40	68	86.35	137.40	310.30	2765	150.30
45	70	107.20	173.95	345.15	2795	167.38
50	71	136.55	221.15	369.25	2985	197.23
55	72	183.10	288.65	399.00	3265	242.05

#### Expands Juvenile Department

Mutual Life of New York has expanded its juvenile policy recently put on the market, and now is writing it on the ordinary 20 pay and 30 pay plans. The latter two plans are new. At age 10 the full face of the policy is payable. The limit was increased from \$2,500 to \$3,000.

### Mention Insurance in Monopoly Report

(CONTINUED FROM PAGE 3)

panies are practically self perpetuating groups, it was demonstrated," the report stated.

Some testimony was elicited with respect to interlocking directorships, according to the report. The boards of certain large companies were found to be closely integrated with banks, industrial concerns, railroads and other business enterprises. Some insurance company directors use their influence to channel the patronage of insurance companies to law firms, banks and other enterprises with which they were also affiliated, according to the report. The direct solicitation of patronage by directors was apparently regarded as routine although it often was felt that favors should be dispensed only if no injury to the policyholders seemed likely to result.

"In the case of the Northwestern Mutual Life all possible conflicting relations of directors were scrupulously avoided."

#### Special Funds Aid Texas Board

AUSTIN, TEX. — Vetoes of Governor O'Daniel cut deeply into funds for operation of the three divisions of the board of insurance commissioners, but in some instances the cuts will be nullified by provisions of "riders" which permit the use of fees and special funds for continuance of the work. Chairman Woodward, life commissioner, said the vetoes did not cripple his division for special funds could be used to carry on the essential work.

The casualty division is the hardest hit.

#### Thompson Agency Supervisor

The American Reserve Life of Omaha has appointed Matthew Thompson agency supervisor. After graduation from college he spent some time both in English and American merchant marine service. He started as an agent at Fort Dodge, Ia., and later became agency supervisor and general agent at Sioux City.



## NEWS OF LIFE ASSOCIATIONS

### Milwaukee Plans Expansion: Leroy Bond New President

MILWAUKEE—Plans to establish permanent headquarters with a full-time secretary in charge and to develop a special educational course for life agents moved a step nearer realization at the annual meeting of the Milwaukee Association of Life Underwriters. The number of directors was increased from four to 14, seven to be elected each year.

Leroy Bond, Equitable Society, becomes president, succeeding W. F. Breidster, Kansas City Life; Harry Richey, Travelers, and Henry Fuller, Northwestern Mutual, vice-presidents; Frank Hughes, Mutual Benefit Life, secretary; John M. Sisk, Bankers Life, treasurer, and E. L. Carson, Equitable Society, national committeeman.

Directors now include Kenneth Jacobs, Connecticut Mutual; John H. Budde, Jr., National of Vermont; Hillis Rhyen, Guardian Life; Eugene Mong, Travelers; Gifford Vermillion, Mutual Life of N. Y.; L. I. Mack, Metropolitan; Frank Engel, Franklin Life; Harold Buckman, Old Line Life; William Quinn, National of Vermont; S. G. Morey, Guardian Life; W. C. Weissinger, New York Life, and H. J. Pearson, John Hancock Life, all currently elected; George Mayer, New England Mutual, and Albert Voss, Penn Mutual, holdovers.

### Cleveland Group Broadcasts

CLEVELAND — Life insurance was highly publicized last Sunday afternoon when the Cleveland Life Underwriters Association sponsored a two-hour amateur radio show over radio station WCLE. The broadcast was from the Masonic Theater and 1,500 were present to witness it. Children of life insurance men were among the amateurs participating for prizes.

Chalmer F. Lutz of the Cleveland association was interviewed by Guy Wallace, radio announcer, in a lengthy discussion which brought out the value of life insurance to the public.

Shenandoah, Ia. — A southwest Iowa sales congress will be held here Sept. 9. The Iowa state association is assisting the local group in formulating the program. At a meeting here members from Page, Fremont and Montgomery counties pledged their support.

Joliet, Ill. — A. G. Taylor, manager Metropolitan Life, newly elected president, will take over his duties at the September meeting. The association will not meet during July and August.

Ralph Maloney, general agent Central Life of Iowa, is the new vice-president and Edward Slouf of Metropolitan is secretary-treasurer. Directors will be E. E. Bates, John Marshall, Dominic Raino, Alfred Horschler and Anne Miller. Officers were elected at the annual picnic at Hammel Woods.

Racine, Wis. — A. E. Mielenz, Milwaukee general agent Aetna Life, discussed life insurance problems from the viewpoint of a general agent. Results of the annual election were announced and these new officers were installed: I. H. Solomon, Metropolitan, president; Cecil Snyder, Northwestern Mutual, vice-president; Emil Ranscht, Equitable Society, secretary-treasurer.

Southeastern New Hampshire — At the annual meeting in Portsmouth, Anthony Bergin of Dover, was elected president; Joseph McCann, Dover, vice-president, and Joseph Schwartz, Portsmouth, secretary-treasurer. Speakers were Arthur Mills, president New Hampshire association, and Lyman Baldwin, supervisor Union Mutual Life.

Des Moines — F. L. South, Sun Life, newly elected president, announced the selection of Martin L. Seltzer, general agent Aetna Life, as chairman of the On-to-St. Louis convention committee.

Minnesota State — Oswin Reeves, St. Paul, has been named chairman of a committee to arrange for a sales congress in January or February in the Twin Cities. The association's first sales congress last January at Minneapolis

was a notable success. About 600 attended.

Salina, Kan. — Alfred Weber, Bankers Life, is the new president; J. J. Donelan, Pan-American, vice-president; O. E. Geoffroy, United Life, secretary-treasurer. Rex Lear, Farmers Union Life, is the retiring president. Roy Omer, United Benefit, is national committeeman.

Kansas City — Paul Woodmansee, Provident Mutual Life, has been elected president of the young men's division, succeeding L. L. Eckerle, Home Life. William Scott, Massachusetts Mutual, is vice-president; J. N. Mickey, Jr., Connecticut Mutual, secretary-treasurer.

Great Falls, Mont. — George N. Wright, Jr., is president; R. D. McCarthy, vice-president, and W. G. Preston, secretary.

Shreveport, La. — Jack R. Watson, Penn Mutual, is president; Burnhardt Payne, Guardian, vice-president; Fred Lamprecht, Equitable of New York, secretary; Lewis Edge, Prudential, treasurer.

## RECORDS

Columbian National Life — Reports new paid insurance exceeded the production of the first six months of 1938 by over 10 percent. The average size life policy paid for the first six months was \$3,531. The company showed a substantial gain in insurance in force. The increase was considerably larger than during the first half of 1938. A distinct reduction in mortality has been noted. The mortality rate is running at its lowest level in many years. Accident and health business has been extremely good, largely on account of the "Yankee" hospitalization plan. Accident claims continued to be very satisfactory, holding to about the same ratio as in 1938. Assets hit an all-time high in June, reaching a peak of \$47,531,000.

Old Line Life of America — New sales for the first six months were 19 percent ahead of last year. Insurance in force showed a greater increase for the first half of 1939 than for all of 1938. The ratio of policies renewing exceeds the same period last year by more than 24 percent.

LaFayette Life — Paid for business the first six months was 51 percent ahead of the comparable period of 1938. The gain in insurance in force for the six months was \$700,000. The total in force has now passed \$27,000,000.

## MANAGERS

### Names Cincinnati Committees

CINCINNATI — R. C. O'Connor, Reliance Life, newly elected president of the Associated Life General Agents & Managers, has appointed the following committee chairmen: G. T. Kennedy, Lincoln National, program; R. Q. Milstead, Prudential, attendance; I. B. Jackson, Massachusetts Mutual, membership; W. J. Mack, Northwestern Mutual, educational; Frank Wiglesworth, Travelers, good practice, and G. J. Woodward, Equitable Society, reception.

### Memphis Managers Elect

A. Van Court Pritchett, Connecticut Mutual Life, has been elected president of the Memphis Life Managers Association, succeeding Jeff Gros, State Mutual Life. Other officers elected were: Frank Howland, Massachusetts Mutual Life, vice-president; L. C. Callow, General American Life, secretary, and new directors are W. T. Buckner, E. R. Caldwell, Bolling Sibley and M. E. Brooks.

### "General Agent's Job"

The Massachusetts Mutual Life has put out in booklet form for distribution the address of Vice-president C. O.

Fischer, who has appeared before general agents and managers sections of the life underwriters associations, on "The General Agent's Job." He delivered this address first before his own general agents. There have been many requests for copies and therefore the company decided to get it out in booklet form.

### Gyp Outfits on Rampage in Texas

DALLAS — Gyp insurance outfits in Texas are still fleeing policyholders and beneficiaries according to complaints reaching the attorney-general's office. An average of 30 complaints are being received weekly from people claiming to have been mistreated in claims settlements. The attorney-general's department announces it is running down every complaint and that suits have been filed for cancellation of licenses and charters against some assessment companies. The offending outfits are taking advantage of the "putting your house in order" period before the new law regulating the operation of mutual aid and state wide assessment companies becomes fully effective.

### To Move KFBI to Wichita

Radio station KFBI, owned by the Farmers & Bankers Life of Wichita and operated at Abilene, Kan., won an-

other legal battle last week in its effort to move to Wichita when the Federal Communications Commission refused to reconsider its earlier decision favorable to moving the station. Other stations in Wichita have been fighting the move. KFBI is one of the oldest and most powerful stations in the state. Studios will be maintained on the top floor of the new building of the company in Wichita.

### Cashiers' Body Gains Members

SAN FRANCISCO — The third meeting of the directors of the Life Agency Cashiers Association of the United States and Canada was held here with Albert F. White, the Phoenix Mutual Life, president, presiding. Jacksonville, Fla., and Omaha associations have joined. After the local groups resume their meetings in September it is expected there will be a number of additional members admitted. Communications regarding membership should be addressed to President White at 155 Sansome street, San Francisco.

Leo P. Dempsey, New York Life, San Francisco, has been named chairman of the educational committee which will further the work of the Life Office Management Association Institute and Chartered Life Underwriter movement.

## The Policy Contract Is Highly Important...

**THE POLICY CONTRACT** is a highly important element in life insurance. . . . The State Life policy contract is designed to provide broad protection and service to the policyholder and the beneficiaries—particularly "when the road of life becomes rough." . . . It may include the Double Indemnity accidental death benefit and the total and permanent Disability Waiver of Premium provision. The service features in the policy contract are outstanding. . . . The State Life policy contract and State Life service—insurable ages one day to 65 years—make satisfied and friendly policyholders and beneficiaries. . . . Agency opportunities for those qualified.

## THE STATE LIFE INSURANCE COMPANY

Indianapolis  
Indiana

MUTUAL LEGAL RESERVE FOUNDED 1894

## Life Agent Indispensable in Controlling Costs

(CONTINUED FROM PAGE 2)

more than the expense loading plus the present value of the select mortality gain in the first five policy years on the assumption that the mortality for the successive years is 50, 65, 75, 85 and 95 percent of the American Experience Table. "This statutory rule that the new business of a mutual company should not cost more than would be refunded to the existing membership through loadings and special mortality gains from medical and underwriting selection, was sound when it was enacted. It is not only sound today, but it is essential to the justification of the American agency system now that the system is being called upon to defend itself," Mr. Evans declared.

### Cites Actual Example

Citing the Northwestern's experience as an actual example, Mr. Evans said that on business exposed from 1937 to 1938 anniversaries the mortality for the policy years one to 10 was 56.8 percent of the American Table as compared with 81.8 percent after the 10th policy year. The difference between the 10 years select experience of 56.8 percent and the 10 year ultimate of 81.8 percent may be roughly taken as the measure of the offset to acquisition cost coming back to policyholders from select mortality margins.

The time is passing when volume of new business will be considered a criterion of success, Mr. Evans declared. Emphasis is shifting to quality of new business since only through quality can life insurance afford to pay first commissions exceeding first year expense loadings. The objective should be quality as reflected in low mortality experience and high persistency rates.

In pointing to the indispensability of the agent, Mr. Evans cited the lack of

success of the over the counter plans. Wisconsin state life fund in 28 years has collected only \$77,705 in premiums and paid \$14,000 in death claims. Although a good deal of publicity has been given to the business secured by the Massachusetts savings bank system, it has enjoyed special advantages of a fairly efficient selling staff and the efforts of those socially minded employers and other citizens who have worked for it without pay. Furthermore, the average duration of the present insurance in force in Massachusetts is low and the distribution of the attained age still lies within those lower age brackets at which tabular mortality rates under the American experience table are very high. Neither of these favorable conditions can continue indefinitely.

If an experiment in over the counter selling is desirable, a conservatively managed and firmly established company with a national reputation would be most likely to succeed, Mr. Evans said. Nobody knows the answer to such an experiment, except as a theory. No American company has ever stopped writing new business and continued operating until the death claim on its last surviving policy has been paid. In this country when a company retires from business, its risks are reinsured in a going concern.

### Cites British Company

A British company, the Scottish Union Life, after 36 years of activity, amalgamated with another company in 1878, but kept all its previously issued business separate and allowed it to work itself out. At the end of 49 years valuations in 1927 showed that there were 200 of the old policyholders remaining insured for £120,860 with a reserve liability of £103,539 and that the company had to their credit assets of £143,578, or sufficient to pay the face value of all policies with a bonus of nearly 20 percent. That is the only actual case on record of a company

discontinuing new business and fulfilling all existing contracts.

Suppose that a going company operating on the mutual plan under the American agency system should decide to discontinue the active solicitation of new business and become an over the counter company. What would happen, asked Mr. Evans. The discontinuance of active selling would in no way weaken its financial ability to fulfill its promises and pay its policies when they came due, assuming continued good management.

Last year 73,349 policies were written by Northwestern Mutual agents. Very few of these would have been written had the policyholders been left to their own initiative. Furthermore, of those who would apply without solicitation, it is a well known fact that a large proportion of the applicants would have serious concealed impairments.

Under an active agency system 100 bad risks in a total of 70,000 is not important, but 100 bad risks out of a total of 1,000 may shoot the mortality way above the table. If a nationally known company decided to discontinue active agency selling it would be subject to the danger of misrepresentation of its reasons and might be subjected to excessive withdrawals of cash values. So while in theory the mathematical basis of life insurance does not require the continuance of a volume of new business, under existing conditions there is a strong practical reason for continuance in active solicitation so far as any particular company is concerned.

If new business were discontinued there would appear to be a large expense savings for a few years. This, however, would be rapidly offset by an increase in mortality cost as the proportion of the business that was sales selected diminished and disappeared. The increasing mortality costs and the cost of service to old policies previously performed by the agents without direct compensation would soon offset the initial expense margins. An active and aggressive sales organization is an instrument of selection even more essential than medical selection, Mr. Evans declared.

In the long run the cost of life insurance to the policyholders would be increased by the discontinuance of active sales. Gains in some particulars would be offset by losses elsewhere. If an agency organization is sufficiently active and efficient under sound medical underwriting methods, it will pay its own wages by the expense loadings and select mortality margins realized on the new risks it brings in, Mr. Evans declared.

## First Oklahoma Qualifier Writes \$90,000 in 90 Days

Mrs. Bessie Dale, special agent Kansas City Life at Lawton, Okla., is the first woman in Oklahoma to qualify for life membership in the Women's Quarter Million Dollar Round Table of the National Association of Life Underwriters. Ninety days ago Mrs. Dale checked on her year's production and found that in order to qualify for the national honor group, she must write business at the rate of \$1,000 a day for 90 days. On July 20, she went over the top with the \$90,000 production in 90 days and acquired the necessary qualifications to give her life membership in the round table.

For 15 years Mrs. Dale has written this amount of business but failed to take the necessary steps to qualify for honors until three years ago.

### Erickson Agency 10th Anniversary

Celebrating the 10th anniversary of the Mankato, Minn., agency of Northwestern Mutual Life, Sam A. Erickson, the general agent, and Mrs. Erickson entertained a group of about 56 at the Mankato Golf Club. Mr. Erickson joined the Northwestern Mutual 20 years ago and was assigned 10 years ago to found the Mankato agency. The

## Iowa State Book Is Now Off the Press

The Underwriters' Hand-Book for Iowa has just come from the press of THE NATIONAL UNDERWRITER. This is the twentieth edition of this book, and it brings up to date the information on insurance in Iowa.

This book gives the complete list of agents in Iowa licensed by the insurance department, the companies they represent, members of the agency, address, date established and other business done, if any. The agents names are listed alphabetically by cities and towns so that anyone wanting complete information on insurance in one town has all the data in one place. In preparing this new book the compilers received 52,968 licenses from the Iowa department divided as follows: stock fire, 19,924, mutual fire 10,197, stock casualty 11,377, mutual casualty 6,782, casualty reciprocals 780, and life 3,908. The stock fire licenses showed a drop of about 600 from the preceding year while mutual fire gained 100, mutual casualty gained 900 and casualty reciprocals gained 150.

Another section lists all the insurance companies licensed to operate in the state, their officers, financial statements, home addresses and names of their field men, general agents or managers. Separate sections give fire field men and casualty and life general agents and managers alphabetically for easy cross-reference. Also given is the "Record of Insurance in Iowa" which shows insurance paid for and in force for six years.

Other features of this book are: resume of the insurance laws of the state, local and national insurance organizations together with officers and addresses, list of insurance adjusters, hotels and many other valuable bits of information.

## Strange Action Is Brought Against Franklin Life

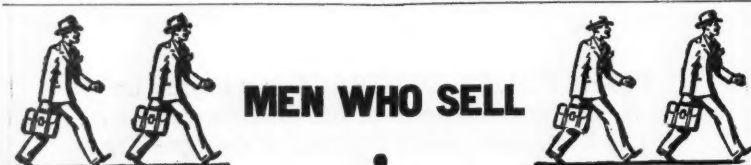
Franklin Life has been subjected to a strange action in the Sangamon county circuit court in Springfield, Ill., that is brought in the name of F. W. Mahoney, a retired grocer of Springfield. The petition contends that some \$200,000 of surplus that existed in 1910 at the time of the reorganization of Franklin Life from a mutual to a stock company, should have been distributed to the mutual policyholders and was not. In view of the fact that this transaction took place nearly 20 years ago and was fully approved in all its details by the Illinois department at that time the action now seems somewhat fantastic to those familiar with the situation. Mahoney, whose relations have always been friendly with Franklin Life, purchased two 20 pay life participating policies back in 1906 and 1907. One was a 20 year deferred dividend policy and the other was an annual dividend contract. These policies became paid up in 1926 and 1927 and have been receiving annual dividends.

Franklin Life finds that Mr. Mahoney is not personally directing the suit but that his son, T. F. Mahoney, agent in Springfield for Aetna Life, is handling much of the case. S. S. Duhamel is attorney for Mahoney.

It is thought that the suit was originated by another than the Mahoneys because of a personal disagreement with the management of Franklin Life.

Suits similar to this have been started against companies under similar circumstances and in each one the position of the company has been upheld. However, the litigation is an expense to the company.

dinner also fell on Mr. Erickson's birthday anniversary. Eleven members of the agency have been associated with Mr. Erickson throughout the entire 10 year period.



**MEN WHO SELL**

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● Because they are making SALES virtually every day. They have a policy for every need (from one year renewal term to 10 year endowment) and an amount for every purse (from \$100 to \$100,000). Investigate why our field force is growing rapidly.

## Rockford Life Insurance Company

Francis L. Brown, President  
Rockford, Illinois

## THE HOME LIFE INSURANCE COMPANY OF AMERICA

PROTECTS THE ENTIRE FAMILY

Home Life agents are equipped to serve every need for life insurance. Modern policies are issued, on both Industrial and Ordinary plans, from birth to 64 next birthday.

A POLICY FOR EVERY PURSE AND PURPOSE

Basil S. Walsh  
PRESIDENT

Independence Square

Bernard L. Connor  
SECRETARY

John J. Gallagher  
TREASURER

Philadelphia, Penna.



## 80th Anniversary of the Equitable

(CONTINUED FROM PAGE 1)

which means of any body of agency men ever assembled in large number, but brings with it a pledge of ever improving insurance service to the public, which is a part of the price we are paying and must pay in ever increasing coin as a debt to our profession and as the right to persist under our franchise."

### Some Statement Figures

Referring to the annual statement of the Equitable, Mr. Graham pointed out that there was a net increase over the year of more than \$155,000,000 on an aggregate of admitted assets which reached up to \$2,260,000,000. The surplus shows an increase of \$16,000,000. The financial statement shows that the tide of insurance in force has turned back in the right direction, Mr. Graham said. The decrease in the volume of outstanding ordinary insurance was practically stopped, and the group business supplied an aggregate increase to carry the sum total of insurance in force to \$6,750,000.

M. A. Nelson, president of the "Old Guard" presented a trophy to Harry T. Wright as the outstanding "honor agent" of the company during the past year. This was the first time such an award has ever been given.

The Equitable Life commemorated the anniversary of its founding Wednesday with an all-day program which began with brief exercises at 10 a. m. in the home office building. A parade of 5,000 marchers and an anniversary program at the Equitable's Garden of Security at the New York Fair followed. An anniversary banquet attended by 2,000 Equitable officials, employees and guests at the Waldorf Astoria that night closed the day's program.

The day opened with a rededication ceremony at 10 a. m. in the home office building, addressed by T. I. Parkinson, president.

### Exercises at the Fair

Following the exercises at the home office, the entire group consisting of 1,500 managers and agents, and 3,500 New York City employees traveled by special trains to the fair. On arrival the group assembled in parade formation at the Long Island Railroad gate and marched to the "Equitable's Garden of Security," led by the honor guard of mounted Haskell Indians.

Principal speakers at the commemoration were New York City's Mayor LaGuardia and Grover Whalen, president of the Fair. H. M. Alexander, chairman of the directors' anniversary committee, presided.

Following the exercises at the "Garden of Security," there was a luncheon of the group millionaires' club, which is composed of representatives who have written \$1,000,000 or more of group insurance this year. This meeting was presided over by P. H. Williams, of Chicago, president of the group millionaires' club.

During the remainder of the afternoon the group toured the fair. During the afternoon several bands appeared in the "Equitable Garden of Security."

The anniversary dinner was held at the Waldorf Astoria with approximately 2,000 in attendance, including officers and directors, and was presided over by T. I. Parkinson, president. Other addresses were made by John Bassett Moore, member of the Permanent Court of Arbitration, The Hague, and Equitable director; and L. H. Pink, New York superintendent of insurance.

Those attending include field managers and 800 delegates whose average production over the previous 18 months exceeded \$300,000 of insurance volume.

At the close of 1859, its first year, the Equitable had in force 268 policies for a total face amount of \$1,144,000. Today, in its 80th year, it has in force: 1,666,000 ordinary policies representing

## Kavanaugh Cracks Down on Counsellor in Quick Action

DENVER — Any life agent who makes a racket of so-called "counsellor" service won't last long in this state, judging from the quick action taken in such a case by Commissioner Kavanaugh.

P. L. Corbin of the New York Life reported to E. L. Metcalfe of the National of Vermont, chairman of the joint standards and ethics committee of the Denver Association of Life Underwriters and the Life Agency Managers Association, that one of his policyholders had been victimized by an agent who accepted a \$12 fee for so-called counsellor service. Within three days after the two men reported the matter to Mr. Kavanaugh the offending agent, whose name was not divulged, had refunded the fee, given up his license and left the state.

The New York Life policyholder had on the advice of the self-termed "counsellor" given up a \$2,000 permanent policy and bought a \$3,000 term policy. The agent accepted a \$12 fee for advisory service. Appearing before Mr. Kavanaugh he claimed that the \$12 was a gift from the assured. However, the commissioner ordered him to return the money.

Mr. Kavanaugh is now looking into another similar case. However, the present offender is not an agent so it is considered doubtful whether the commissioner will have jurisdiction.

1,150,000 policyholders 317,600 ordinary annuity contracts, representing 250,000 annuitants; 1,250,000 group life certificates representing 1,100,000 lives insured; 118,600 group annuity certificates representing 118,000 annuitants.

Payments to policyholders and beneficiaries since organization total \$4,136,696,205, and it still holds \$2,260,913,149 in assets to protect policy and other obligations. The amount thus paid to members and beneficiaries, added to what it now has on hand and legally reserved for existing policies exceeds the total premiums paid by all policyholders since organization by more than \$500,000,000.

During these years the Equitable has introduced many innovations that have improved and standardized the life insurance business, such as the incontestable clause which minimized insurance litigation, and group life insurance—the forerunner of the complete group protection plans which now include group accident and health, accidental death and dismemberment, hospitalization, surgical benefits and annuities.

The meeting closed with a business session of the managerial staff on Thursday morning.

## Insurable Interest in Life of Brother, N. C. Court Holds

In Webb vs. Imperial Life, the supreme court of North Carolina held that a person has an insurable interest in the life of his brother, even though he and not the assured pays the premium, and refused to permit the company to set want of insurable interest under these circumstances as a defense to payment. Reviewing the authorities, Judge Devin pointed out that there is some difference of opinion among courts of last resort on this subject, some tribunals holding that, in addition to relationship, some interest which will justify a reasonable expectation of advantage or benefit from the continuance of the life of the assured must be shown in order to substantiate insurable interest. Majority opinion, however, including that of the Supreme Court of the United States, now holds the position that the close relationship by ties of blood between brothers alone is sufficient to constitute insurable inter-

est, even when the beneficiary takes out the policy and pays the premium.

The decision of the lower court in favor of Webb was reversed on other grounds. The policy denied liability in the event the assured suffered injury or death while he had intoxicating liquor

physically present in his body. The supreme court held that the charge of the lower court judge to the jury on this point was misleading and hence ordered a new trial.

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Settlement Option  
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possible

## THE Mutual Benefit LIFE INSURANCE COMPANY

Organized 1845



Newark, N. J.

Aggressively Developing State of Illinois  
Offering Unusual Agency Opportunities

Liberal First Year Commission and Non-forfeitable  
Renewal Commissions

Assistance in the Field

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## GLOBE LIFE INSURANCE CO. OF ILLINOIS

WM. J. ALEXANDER, President

An Old Line Legal Reserve Company—Established 1895  
40 Years of Continuous Faithful Service  
to Policyholders

Writing Complete Line of Modern Policies with  
All Standard Provisions  
Ages (0-60)

Double Indemnity — Disability — Non-Medical  
Modern Juvenile Contracts Full Benefits Age 5

WRITE US TODAY FOR PARTICULARS

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THE BOURSE      PHILADELPHIA

## Program for N.F.C. Detroit Meeting

(CONTINUED FROM PAGE 3)

Secretaries, Herbert M. Hauck, A. O. U. W. of Minnesota, president.

Medical, Dr. Harry Z. Hibshman, Junior Order United American Mechanics, president.

Law, James Mann Miller, Woman's Benefit, president.

Press, Mrs. Vivian Watkins, Royal League, president.

State Congresses, Mrs. Ethel Holway, Woodmen Circle, president.

Fraternal Actuarial Association, Earl H. Nicholson, president.

Wed., Aug. 16, 9:30 a. m.  
 Congress Convened, C. L. Biggs, president.

Invocation, Rev. M. S. Rice, pastor Metropolitan M. E. Church.

Greetings from Michigan, Governor Dickinson.

Welcome, Mayor Reading, Detroit.

Greetings from Windsor, Mayor Croll; from Michigan department, Commissioner Emery; from American Life Convention, Col. C. B. Robbins, manager and general counsel; from Canadian Fraternal Association, Lt. Col. E. Hurtubise, president; from Michigan Fraternal Congress, Forrest Wiswell, president.

Response, Miss Frances D. Partridge, vice-president N. F. C.

Report of President Biggs.

Reading of Minutes 1938 Session, Foster F. Farrell, secretary-treasurer and manager.

Appointment of sessional committees; reports of executive committee; secretary-treasurer; credential committee, R. M. Norrington, Gleaner Life, chairman; auditing committee, J. E. Little, Macabees, chairman, and committee on legal cooperation, James Mann Miller, chairman.

Wednesday, 1:45 p. m.

Report of committee on general welfare, O. E. Aleshire, Modern Woodmen, chairman.

Report of committee on lodge activities, Fred A. Johnson, Royal League, chairman.

Memorial, Mrs. Harriet Williamson, Macabees, chairman.

Report of committee on distribution, Alex O. Benz, chairman.

Report of committee on constitution and rules, A. W. Fulton, Security Benefit, chairman.

Report of committee on fraternal ethics, N. J. Williams, Equitable Reserve, chairman.

Banquet, 7:30 p. m., C. L. Biggs, presiding.

Address, Senator Vandenberg.

Introductions: Governor Dickinson, Mayor Reading of Detroit, and Mayor Croll of Windsor, Ont.

Friday, Aug. 18, 9:30 a. m.

Report of Committees:

Resolutions, A. A. Ball, Homesteaders Life, chairman.

Statutory legislation, Rainey T. Wells, Woodmen of the World, Omaha, chairman.

Security valuations, J. V. Abrahams, Security Benefit, chairman.

Reports from sections.

Unfinished business, communications and bills, new business.

Installation of officers by Mrs. Dora Alexander Talley, president Woodmen Circle, past president N. F. C.; escort, Woman's Benefit, directed by Mrs. Ethel Hayford, supreme vice-president.

Adjournment.

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## Enthusiasm Main Factor in Frisbie's Success



CHARLES J. FRISBIE

"Men are failures, not because they are stupid but because they are not sufficiently impassioned." So says Charles J. Frisbie, general agent in Seattle of the New England Mutual Life and a top flight producer since he gave up selling automobiles 17 years ago to write life insurance.

Mr. Frisbie ran a classified advertisement in a daily newspaper in which he offered to buy \$5,000 of insurance from the man who would buy a new car from him. He received 24 answers. One of the first letters he answered was from Marion R. Cummings, then general agent of the New England Mutual. Mr. Cummings did not buy a car but for two hours he talked insurance to Frisbie. The car salesman then and there became a life insurance man. That first year Mr. Frisbie paid for only \$28,000, including \$10,000 on his own life, but things picked up the next year and he paid for \$80,000 and then jumped to \$120,000 the third year.

### Boating His Hobby

Since then he has never paid for less than \$300,000 annually and in 1929, 1930 and 1931 he passed the \$500,000 mark. He was made general agent in 1935 on Mr. Cummings' death.

Mr. Frisbie, witty, genial, a good story teller, a good host and a good listener, talks with a slight French accent, as

he was born in Nice, France, in 1895, of American parents. His hobby is boating. He is an enthusiast for both sailing and power boating. He recently acquired his 12th boat, the Tola, a sailboat. His home is on the water, opposite the Seattle Yacht Club, and his boat is moored in his front yard. Frisbie prefers sailing and says of it:

"Sailing is very much like selling in that the forces at work for or against you are intangible—cannot be seen, but only felt. Racing adds to the pleasure in that to win laurels consistently one has to exert the very best of thought, action and spirit."

He thinks much of his success may be traced to his sheer enthusiasm for life insurance. Of it he said:

### Well-Rounded Men

"To sell life insurance, men must have not only one or two of the so-called common virtues, but a bit of each of such virtues as courage, initiative, industry, consideration, enthusiasm, determination, thoroughness, perseverance, earnestness, forcefulness, tact, humor, courtesy, honesty, patience, goodwill, cheerfulness, friendliness, and attractiveness."

"Many men will possess one or two of those virtues to a marked degree. However, for example, if an insurance man has all those virtues except courage, then he is bound to fail. Suppose he lacks enthusiasm—he is a cog-wheel with a tooth missing. Again, the lack of humor or tact will make an insurance salesman unwelcome and his advancement has halted before it started. In short, the life insurance business demands its salesmen be enthusiastic, clean, well-rounded men."

### Two St. Louis Appointments

Manager R. H. Deas of the Mutual Life of New York in St. Louis has appointed C. C. Doyle supervising assistant. Mr. Doyle has been in life insurance for 15 years, 10 as a personal producer and field supervisor with the Connecticut Mutual at Columbus, O. The past four years he has been assistant to the agency vice-president of the Illinois Bankers Life. While in Columbus, Mr. Doyle was active in civic affairs and has been closely affiliated in the life underwriters association, having been president, vice-president and national committeeman of the Columbus association.

Mr. Deas has appointed B. E. Morian agency organizer. He goes from the Omaha agency with which he was connected as district manager, leading that agency in production in the 1938 field club year, and was a member of the \$250,000 Club.

## OPEN TERRITORY

in Michigan, Ohio, Indiana and Illinois

FOR MEN WHO CAN PRODUCE  
AND

ARE AMBITIOUS TO BUILD OWN AGENCY

**Philadelphia Life Insurance Company**

Philadelphia, Pennsylvania

Company reports, policy facts, rates and values all covered completely in the 1939 Unique Manual-Digest, \$5. National Underwriter.



## LEGAL RESERVE FRATERNALS

### Section Programs of N.F.C. Announced

Additional programs for section meetings of the National Fraternal Congress at the annual meeting in Detroit in August are announced.

The Secretaries' Section will meet Tuesday, Aug. 15, starting with a breakfast get together at Hotel Statler. Later, M. A. Clark, personnel director U. S. Rubber Company, will talk on "Human Relations in Business" and J. V. Abrahams, national secretary Security Benefit, Topeka, Kan., will discuss the insurance commissioners convention recently held in California. There also probably will be a speaker on the wage and hour law as it affects fraternal orders.

The meeting will wind up with round table discussions on "Junior Transfers to the Adult Department," "Junior Lodge Activities," "Local Lodge Promotion and Assistance from the Home Office."

H. M. Hauck, recorder A.O.U.W. of Minnesota, St. Paul, is section president.

The Press Section also will meet Aug. 15, with Mrs. Vivian Watkins, Royal League, Chicago, section president, in the chair. The meeting will start at a breakfast. The program is:

Breakfast, 8:30 a. m., Hotel Statler; prayer, Mrs. Myrtle Schoessel, Royal Neighbors; welcome, Mrs. Vivian Watkins, president Press Section.

Introductions.  
Announcement of committees.  
"Good Will for Sale," F. A. Johnson, Royal League.

Morning Session, 10 a. m.  
Roll call and minutes.  
"Modern Analysis of Fraternal Journals," Ralph M. Peters, Sunday editor Detroit "News," editor "Quill," monthly magazine for newspaper men.

Election of officers.  
Question box.  
Afternoon session, 2 p. m.  
Memorial Service, led by James Daly, United Commercial Travelers.  
"Fraternal Pageants," Jeanie Willard, Woodmen Circle.  
"Paper," Harold Allen, Fidelity Life.

#### SOME

#### PERTINENT

#### FACTS ABOUT

#### Supreme Forest

#### WOODMEN CIRCLE

• Total Membership.....132,982

Total Protection ..\$107,701,046.00

Written in 1938.. 11,629,606.00

Benefits Paid in  
1938 ..... 1,893,522.35

Benefits Paid since  
Organization in  
1895 ..... 40,445,656.11

•

Dora Alexander Talley, President

Mamie E. Long, Secretary

Home Office, Omaha, Neb.

#### THE WOMAN'S BENEFIT ASSOCIATION

Founded 1899

A Legal Reserve Fraternal Benefit Society  
Bina West Miller Frances D. Partridge  
Supreme President Supreme Secretary  
Port Huron, Michigan

"Educational Publicity," J. W. Breyfogle, Security Benefit.  
Installation of officers, James L. Willemeth, Junior Order United American Mechanics.

#### State Congresses Program

Mrs. Ethel Holiway, Montgomery, Ala., national treasurer, Woodmen Circle, and president of the State Congresses Section, announced the program for the annual meeting to be held in Detroit at the time the parent body meets. Mrs. Holiway will preside. Greetings will be extended by C. L. Biggs of the Maccabees, president of the National Fraternal Congress. Miss Frances Partridge, Woman's Benefit Association, vice-president National Fraternal Congress, will have as her subject "How state congresses can be of help to the National Fraternal Congress."

At the afternoon session there will be two addresses, one by A. O. Benz, Aid Association for Lutherans, a member of the N. F. C. executive committee, on "How state congresses can help to educate the general public on the value of fraternal insurance." The other will be by Farrar Newberry, Woodmen of the World, Omaha, also a member of the executive committee on "How state congresses can further fraternal day celebrations."

J. B. Baker is vice-president of the state congresses section, and H. B. Meixel, secretary and treasurer. The executive committee consists of G. W. Baumann of New Jersey, Mrs. Josephine A. Long of North Dakota, J. H. Foley of California, H. P. Goeglein, Indiana, and Mrs. Etta M. King of Virginia.

#### Breach of Warranty Waived by Examiner's Approval

Breach of warranty due to failing to disclose disability compensation received from the government for injuries received in the world war, failing to state he was treated in the hospital and for warranting he was in good health, was held by the South Carolina supreme court to have been waived by the Woodmen of the World in the case of Evans vs. W.O.W. Dr. Evans, the assured, was examined by a doctor who had known him for years and knew of his health condition. He died 11 months after the certificate was issued and the association denied liability.

A lower court refused to direct a verdict for the society but submitted the case to a jury on the question of whether the society had waived the breach of warranty by reason of the fact its medical examiner reported Evans was in good health and recommended him for insurance. The lower court judgment was for the beneficiary and the society appealed.

The supreme court held it may be reasonably inferred the local medical examiner knew the answers made by the assured in the application to questions relating to his health were false, and this knowledge of the examining physician was imputed to the company. Judgment for the beneficiary was affirmed.

#### Pays Face Amount at Age 96

Old line life companies on a number of occasions have received much newspaper publicity because of paying the face amount of ordinary life policies in cash when the policyholders attained age 96. The Standard Life of Lawrence, Kan., recently paid John D. McChesney of Omaha, the face of his ordinary life policy when he reached age 96.

#### Little Rock Wins Cup

ST. LOUIS — The President's Cup of the General American Life has gone south again. Carroll Thomas and asso-

ciates in the Little Rock, Ark., branch have won the coveted cup for the next quarter. It goes to the general agency or branch office making the best showing on paid premium percentage increase each quarter. The winners since the cup has been in competition have been Los Angeles, San Antonio, Fort Worth, Abilene, Tex., Houston, Columbus, O., and now Little Rock.

#### McCormack Announces Policy as to Examinations

Commissioner McCormack of Tennessee has sent a communication to insurance companies, announcing his policy in connection with convention examinations. In his communication, he recalled that at the San Francisco convention of the National Association of Insurance Commissioners he supported a plan to reduce the number of zones for examination purposes from six to four, as suggested by Superintendent Pink of New York. This plan failed to carry and the result is that the former plan of six zones is still in full force and effect.

In order that he may comply with the Tennessee law requiring that all domestic and foreign insurers operating in Tennessee be examined every three years, or at the will of the commissioner, Mr. McCormack states that he is installing a card index showing the history of all examinations filed with the Tennessee department. Whenever zone 3, which embraces Tennessee, is represented on an examination, this will be recognized as a full convention examination fully meeting the requirements of the Tennessee department. When an examination is held only by a domiciliary state, such report will be entered on the files as a state examination only and not complying with Tennessee requirements. Whenever one or more outside states are represented on an examination, but zone 3 is not represented, such report will be filed for information only and not complying with Tennessee requirements.

#### Life Insurance Is Only Way Majority Can Create Reserve

TAMPA, FLA. — In analyzing the social aspects of income settlement at the Florida Insurance School, Dean Walter J. Matherly of the University of Florida's college of business, said economically a human life has a value equal to the capitalized value of its earning power at an assumed rate of interest. A net income of \$125 a month represents the capital sum at 5 percent interest of \$30,000.

The great mass of the people are unable to assume their own life risk as 65 percent of the total population possess \$3,500 or less. A third of the families receive an average income of \$471, the middle third from \$780 to \$1,450; both classes representing about 13,000,000 families.

Income groups up to \$2,450 a year, save only 7 to 10 percent and 75 percent of the savings in the United States are accumulated by 5 percent of the families receiving \$5,000 or more. As two-thirds of American families receive \$1,450 or less per year and only 34 percent of the total national consumer income, life insurance provides the only way that they may protect themselves and accumulate anything for themselves or their dependents, Mr. Matherly said.

Life insurance combines protection with investment and protects against both premature and certain death. It provides a long time contract at a fixed, unchangeable premium, he said.

#### Wisconsin National Meeting

The Wisconsin National Life will hold its annual agency meeting at the home office Aug. 3-5. An excellent program is being arranged, which will include a prominent guest speaker. Representatives from Indiana, Illinois, Minnesota, Michigan and Wisconsin will be in attendance. The convention will end Aug. 5 with a picnic at Waushara on Silver Lake, about 40 miles west of Oshkosh.

## They'll be there

When 100,000 fraternalists gather at Detroit next August 14 to celebrate the opening of International Fraternal Week, 300 Maccabees' field men will be there. They'll see the colorful celebration at the Michigan State Fair Grounds; they'll participate in the gay ceremonies of the Fraternal Mardi Gras; they'll be guests at the biggest banquet in fraternal history. The Maccabees' field men won't miss this most significant event in fraternalism's 70 years because they will journey to Detroit as guests of their association.

Such rewards to deserving workers is part of The Maccabees' field policy which has produced a loyal, energetic force of field men who believe in their society, and hold its welfare even dearer than their own.

## The Maccabees

Detroit, Michigan

## CONVENTION DATES

Aug. 28-30—Federation of Insurance Counsel, Westchester Country Club, Rye, N. Y.

Aug. 30-Sept. 1—International Association of Insurance Counsel, Homestead Hotel, Hot Springs, Va.

Sept. 11-13—International Claim Assn., Westchester Country Club, Rye, N. Y.

Sept. 14-16—Institute of Home Office Underwriters, Kansas City, Mo.

Sept. 27-29—Life Office Management Association, annual meeting, Hotel New Yorker, New York.

Sept. 27-29—National Association of Life Underwriters, Jefferson Hotel, St. Louis.

Oct. 1-3—Insurance Advertising Conference, Statler Hotel, Boston.

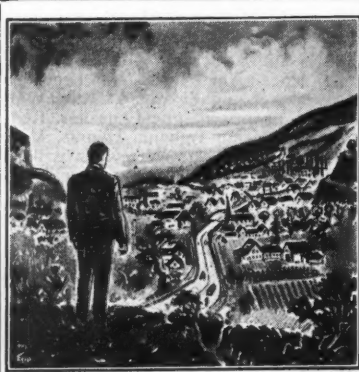
Oct. 2-6—American Life Convention, annual meeting, Edgewater Beach Hotel, Chicago.

Oct. 16-18—Life Advertisers Assn., Hotel Statler, Detroit.

Nov. 2-3—American Institute of Actuaries, Edgewater Beach Hotel, Chicago.

## Financing Is an Investment

It is difficult to get away from financing if a life agency is to expand these days. In discussing the situation, one general agent said he looks upon financing as an investment and a good business practice. He criticized general agents who brag about the fact that they do not do any financing of new men. If the general agent is convinced that the new man has potential ability as an agent, he is justified in aiding the man when he is starting out in business.



## OPPORTUNITY FOR YOU

General agents wanted in the Mid-West, South, Southwest, and West.

\* \* \*

Agency commissions are attractive because contract is direct with Home Office.

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A complete line of standard contracts and riders, plus:

**SURGICAL BENEFIT  
FAMILY GROUP POLICY  
FAMILY INCOME RIDER  
CHILDREN'S INSURANCE**

## Write

J. DeWitt Mills, Vice Pres., for agency information. Good territory available in Mo., Ark., Okla., Nebr., Texas, Colo., Utah, Wyo., Calif., and Fla.

**CENTRAL STATES  
LIFE INSURANCE COMPANY**  
St. Louis, Mo. Alfred Fairbank, Pres.

## Gets Double Indemnity by Death from Freezing

The supreme court of Montana has affirmed the judgment rendered by a jury, giving double indemnity benefits on account of death, allegedly caused by freezing. The case was Wills vs. Midland National Life.

Hugh Malloy was the insured. There had been a severe blizzard the evening of his death and there was circumstantial evidence tending to show that Malloy, while returning from the theater in Butte, had alighted from a street car at the wrong place and had succumbed to the extreme cold and blizzard. The windows of the street car were covered with frost so that observation from the inside was obscured. It was stated in behalf of the beneficiary, his sister, that the fact that Malloy got off the street car at the wrong place, accidentally exposing himself to the storm which caused his death, was sufficient proof that his death was by accidental means to make the question one for the jury.

Midland National Life asserted that death was due to bodily or mental infirmity or disease and voluntary exposure to unnecessary risk and not to accident.

The evidence, according to the supreme court, was sufficient to warrant submission of the cause to the jury and to justify the court in denying the motion for a new trial.

## Millage Claims \$85,000 Fees

Suit has been brought against Central Life of Iowa in federal court of Detroit by G. H. Millage of Ypsilanti, Mich. Millage was district agent for the old Illinois Life at Ypsilanti and sets forth that he was made superintendent of agencies for Central Life when that company took over the Illinois Life business. He argues that he procured for Central Life renewals that should have brought him \$85,000 in commissions.

## W. Va. Agent Is Arrested

On a warrant sworn out by Deputy Commissioner Justice of West Virginia, Kirk King, agent of Clarksburg, W. Va., has been arrested on charges of attempting to defraud policyholders. King was charged specifically with obtaining \$19.12 from a resident of Clarksburg as a premium on a life company of Kansas City. The warrant charged that King collected premiums on a company he did not represent.

## Buckley Lamar Life Leader

W. C. Buckley, district manager Jackson, Miss., won the presidency of the Lamar Life All Star Club for 1939. The other officers are: W. E. Watts, Brookhaven, Miss., Robert O. Hardy, Columbus, Miss., and R. P. Scott, Laurel, Miss. The All Star Club will sail on the "Dixie" from New Orleans Aug. 5 for the New York fair. The return trip will be by train.

D. B. Aycock, district manager, Jonesboro, Ark., won the Welty gold conservation medal of the Lamar Life for the highest persistency record during the contest year ending in July. W. W. Brunson, Tupelo, Miss., won the second medal, and W. S. Hunt, Sturgis, Miss., third medal.

## Floyd Forker Is Speaker

Floyd Forker, promotion manager Pacific Mutual Life, spoke at the monthly meeting of the Hays & Bradstreet agency of the New England Mutual Life in Los Angeles on "Present Market Trends."

## Jones Agency Celebrates

The Jones agency of the Connecticut Mutual Life in Indianapolis celebrated the fifth anniversary of the partnership with an outing at the Lake Tippecanoe Country Club, Leesburg, Ind. George K. Jones, who has represented the Con-

necticut Mutual 15 years, is senior member of the agency, and was joined by his brother, C. C. Jones, Jr., in the partnership in 1934. Eighteen members of the agency were present, ranging in service from 27 years to five months. H. N. Chandler, second vice-president, and G. F. B. Smith, assistant superintendent of agencies, were present from the home office. Other out of state guests included General Agents L. D. Fowler, Cincinnati; K. W. Jacobs, Milwaukee, and C. J. Zimmerman, Chicago. J. H. Black, Jr., of Terre Haute, was toastmaster at the dinner. A special effort by the agency to produce \$1,000,000 of new business the first six months was successful.

## Ramsay Agents to Hear Elliott

John C. Elliott, president general Agents & Managers Association of Northern New Jersey and Newark general agent Penn Mutual Life, will speak on "Meeting Existing Conditions Through Personal Organization" before the John A. Ramsay agency of the Connecticut Mutual Life in Newark July 31.

## Stanley With American Savings

E. A. Stanley has been appointed Arkansas state manager for American Savings Life of Kansas City, to handle their complete line of life, health and accident and hospitalization. He has been state agency manager of Reserve Loan Life since 1915. Offices will continue to be in the Donaghey building, Little Rock.

## Lynch Joins United L. &amp; A.

J. Thomas Lynch, who has been agency organizer for the Mutual Life of New York agency in Connecticut for several years, has just been appointed agency supervisor for Maine representing United Life & Accident. Mr. Lynch will make his headquarters at Rochester, N. H.

Dr. W. R. Ward, medical director Mutual Benefit Life, and Mrs. Ward have sailed for Copenhagen, where they will join their daughter, Miss Carolyn Ward, who has been abroad for a year. They intend to return in about six weeks.

R. W. Wasson, agency organizer of the F. C. Hathaway agency of the Mutual Life of New York in Los Angeles, and Miss Evelyn Landau, were married there.

American National of Galveston has been licensed in Nebraska.

## REJECTED RISKS

The story is told of a life company that decided the group annuity rate on a particular risk should be increased. The employer was approached and was told about the interest factor problem that the life companies are facing; that bonds and mortgages are being refinanced at a lower rate of interest, government competition is forcing down interest yield, etc.

"Your arguments appear perfectly reasonable to me and I can understand the situation," the employer declared "I consent to the increase in rates. Now, you have a mortgage on one of our properties on which we are paying the old fashioned interest that you tell me is so rapidly disappearing. Will you not entertain a proposition to modernize that element, and accept a lower interest payment?"

Fred E. Gates, who represents the Equitable Society at Estherville, Ia., has a hobby of collecting odd and valuable documents with historical interest. His collection includes a letter signed by Jerome Napoleon, brother of the emperor; a piece of wall paper on which appears an issue of the "Arkansas Daily Citizen," printed June 18, 1863; a copy of the "Gazette of the United States and

Philadelphia Daily Advertiser," printed March 5, 1800; papers signed by Presidents Thomas Jefferson, John Quincy Adams, John Tyler, James Monroe and Secretary of State Daniel Webster.

He retrieved most of his valuable collection from a bonfire at Waverly, Ia., in 1914. A widow at Waverly found the "rubbish" in an old trunk in her attic. She carried the papers to her back yard and was about to burn them when Mr. Gates arrived on the scene. She pronounced them worthless and invited him to take what he wanted. Some had already been burned before he could rescue them. Some of the valuable papers were given to the Waverly schools, of which he was superintendent at that time.

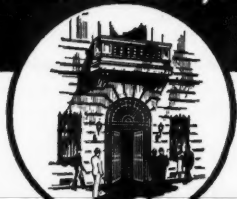
## Need for Expert Counsellors

A Chicago supervisor takes the position that it does not pay to spend very much time with a prospect who is unable to buy much insurance but is very undecided in his mind and cannot reach a conclusion as to what he is to do without much conversation. He is perfectly willing to spend \$50 for immediate pleasure. He seems to demur at spending \$25 for his own future security and that of his family.

This supervisor has found that reasonable men are not seeking excuses to get rid of competent, service giving life insurance salesmen. Where a salesman through his own knowledge, experience and study is able to present a plan that fits the case the prospect is immediately interested. If he is approached on general terms he is not interested. The main object is to fit a salesman to that point where he can analyze a man's situation, diagnose his needs, then present a program that fits his case exactly.

A PHILOSOPHER said that "to make a living is a task, to make a life is an achievement." The great purpose actuating every person should be to round out and secure a well ordered life.

**COMMONWEALTH LIFE**  
OFFERS A POLICY FOR  
EVERY LIFE Contingency



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FROM BIRTH TO THE  
AGE OF SEVENTY • •**

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HOME OFFICE—LOUISVILLE, KY.



# Sales Ideas and Suggestions

## Systematic Selling, Solving Needs Stressed by Leaders

MILWAUKEE—In a well handled program the Northwestern Mutual Association of Agents at its annual convention here presented pertinent thoughts on systematic selling and solving the prospect's needs in talks and clinics conducted by leading producers.

"The Science of Presentation" occupied an entire morning session at which Bruce Gilmore, DeKalb, Ill., presided.

"The Right Try-Angle" in developing the formula of finding the problem, creating the desire, giving the solution and getting acceptance, was discussed by B. S. McGiveran, general agent at Eau Claire, Wis. Three essential factors in any systematized plan for successful life insurance selling, he pointed out, are to get the prospect, show him his need, and both must walk together to his house.

Qualities essential for success in any job are:

A belief in our own ability to succeed in that job; absolute determination to succeed in it; application of the best known principles of success.

Four fundamentals of the sales progress were outlined by Mr. McGiveran:

(1) Prospecting — most important requisite today is buying power.

(2) Effort control—if you haven't the proper records you don't know whether you are working at a profit or loss.

(3) Mental attitude—meaning prestige or good will, which is based upon study, which creates knowledge, which in turn creates confidence in the agent and in the prospect.

"The sales process is divided into three interviews, whether in one call or many: (a) Prospect qualifies you (prestige-building); (b) You qualify the prospect; (c) Closing interview.

### Four Steps in Presentation

(4) The Presentation. While life insurance selling is certainly an art, there is a definite science underlying that art, as there is underlying all arts. This discussion of the foundations of life insurance selling has to do largely with the science of the sales presentation. The presentation must be along the lines of a pyramid, standing on its base rather than the inverted pyramid. The steps to the sale are preceded by the approach, which must be a few words to arouse curiosity or create interest.

"The first step and most important is the definite and unequivocal establishment of the prospect's problem. The best way to establish it is by securing the answers to the questions: 'How long?' 'How much?' 'How much can you save?' This must be done before any further steps are taken.

"Second step: Create a desire to solve the problem after it has been thoroughly established. This can be done only through an appeal to the emotions and instincts, i.e., motivation.

### Clear and Concise Solution

"Third step: Exposition of our solution to the problem, which must be clear and concise.

"Fourth step: The close, which will be automatic if the first three have been properly completed, and which should be assumed. Our job is simply to make it easy for the prospect to buy.

"No qualifying interview should pass the first step of establishing the problem, for no emotional appeal should be used until we are prepared in that interview to complete the sale. When a

sale is completed an immediate request for referred prospects starts the cycle again," Mr. McGiveran concluded.

Discussing how the prospect must get to know the agent T. K. Carpenter, New York City, spoke on "Carpenter of the Northwestern." "There may be much dullness in the small mechanics of the many ways of developing prestige for one's self, but the results are most gratifying regardless of the methods used," he said.

"The best way to get favorably known as a professional man is to follow all the rules of selling intelligently and co-ordinately.

"The best prestige is always a reputation (weight, influence or force projected in advance of a sales conference) which will bear inspection; a record of ability to do a particular job well; plus sound ideas. Prestige must go hand in hand, to a large extent, with breadth of understanding; hence my belief in stretching the mind in order to be able to converse intelligently with men in all walks of life.

"Much prestige has come through a business-like way of handling prospects, good personal advertising—both direct and indirect, and through a thorough knowledge of the relationship between life insurance and wills. Prestige narrows down to a correct philosophy, a definite program, a frankness of purpose, a friendly personality, an earned publicity, and ability in the presentation of ideas . . . all of which add up to identity-building," Mr. Carpenter said.

In discussing "You Get to Know the Prospect," Franklin A. Morse, South Bend, Ind., said: "There are two essentials leading to action in a sale. The first is sufficient information to permit an intelligent analysis and solution; and second, some way to overcome the natural tendency to procrastinate. Desire can be created while getting the information, the tendency to delay will be greatly lessened.

### Plan for New Agents

"When I began my work as a life underwriter, my approach was, 'I am just starting in the life insurance business and I want to know why men buy life insurance. What do you do with yours?' Prospect after prospect would sit back and expound on the great product; many of them have since become policyholders and they really sold me on my service and gave me some of the best sales stories I could possibly obtain because they were real ones. The plan is good for new agents. Incidentally, this works equally well after you are not new in the business, for it inflates the prospect's ego to ask his opinion and he voluntarily gives you much valuable information which otherwise you might not unearth," Mr. Morse said.

Mr. Morse believes in setting up a complete program for a prospect although few are able to complete their programs immediately. This makes it important to get the complete picture and commit him to it, so that he does not have to be resold every time another unit of protection is added.

### Stimulate Prospect's Mind

"Selling involves stimulating the prospect's mind, not exercising your own; therefore, in your first interview, ask questions, and when you catch yourself expounding at length on one plan or another try to cut that short and ask questions. The less an agent talks about life insurance in the first interview and

the more he talks about the individual's problems, the closer he will come to getting the information upon which he can base a sale. Each prospect's problem becomes a most interesting one to me, and somehow or other my feeling gets transferred to the prospect, which helps him to become my friend. When I have the information, I make an appointment for the next interview and get out, but not until I've made him curious as to what I will later suggest. This dignifies your plan and gives you control of your next interview," Mr. Morse said.

The simple, natural automatic close comes as a direct result of doing the preliminary work correctly, according to Alden H. Smith, Nashville. There should be pressure of ideas rather than personality of the salesman. "We should present life insurance as a means of furnishing what the prospect already desires instead of showing him it is what he needs."

### Art of Selling Clinic

At the "Art of Selling" session under the chairmanship of A. C. F. Finkbner, Philadelphia, a general agency clinic was conducted even to a typical clinic irritant portrayed by Royall R. Brown, Winston Salem, N. C. Laffin C. Jones of the home office agency department wrote the continuity of these presentations in the form of agent-prospect interviews.

W. T. Kieffer and Leo G. Kohl of St. Louis, brought out the following points in the presentation "No Dependents." The preliminary interview, or the preliminary portion of a closing interview, should contain a central theme or idea, engaging enough to arrest the prospect's interest and to develop enough thought on his part so that he will make small commitments throughout the interview as a result of the train of thought that is developed.

In the case of the prospect with no dependents the easiest theme to develop in order to establish and fix a problem on the prospect is the "retirement" idea. By a process of reasoning about the purpose of investing, and by laying stress on the long-range purpose of investing, the prospect is made to realize that he, himself, in retirement, is his present day dependent. After establishing this point the problems encountered in investing with a view to retirement are cited with a demonstration how effectively and efficiently the life insurance plan of investing solves each of these problems.

### Different Approach Needed

The second presentation, "Estate Conservation," was given by C. C. Crumbaker and Guy Morrison, Indianapolis, summarized as follows:

"Estate conservation and business insurance problems require a different background and mental approach than that used for general personal insurance selling. The average prospect does not have an understanding of what happens to his estate from the time of his death until it is legally placed in the hands of his heirs. The underwriter through a knowledge of administration procedure, death taxes and other expenses, is in a position, after obtaining the necessary facts, to give a definite answer as to the probable estate shrinkage.

"In cases of estate conservation, and generally in most forms of business life insurance, there is a more definite situation to offset, replace, or liquidate shrinkage. There is a definite measuring stick for the amount of insurance necessary.

"The objective is not to bring the appreciation of a buyer to the necessity of creating a larger estate, but rather to following the calm, hard reasoning, common sense procedure of keeping a

large estate at par, rather than permitting it to be reduced by 20, 25 or 50 percent."

"How Much Is Enough?" was presented by Lowell Schwinger and Kenneth L. Bragdon, Waterloo, Ia., summarized as follows:

How many years will it be before your youngest child is on the producing side of the ledger?

What is minimum monthly income necessary for the actual necessities of life during the critical years so that your children, too, can enjoy and profit greatly from the greatest gift—their mother's undivided care and attention.

You want your children to have the advantage of a college education. What is the least it will take for the full course?

After the children are through school and on their own, naturally, you would like your widow to have a small income payable for life. What is the smallest income she must have to be able to maintain herself?

After a widow has arranged a budget, what is the next problem that demands her immediate attention? Isn't it true she must pay the immediate expenses incurred by death as well as all other obligations, in order to get a clean start? What will it take to do this?

At your retirement age, what is the least amount of income necessary to provide you and your wife the actual necessities of life and permit you to do some of the things you have always wanted to do, but never got around to because you have either been short of time or money?

Mr. Prospect, if you could find a plan that would erase for all time, the two greatest hazards of life: 1. The hazard of living too long. 2. The hazard of dying too soon—

How much could it be worth to you? How much could you save per month if you knew definitely you could face the future for all time—without fear or furor?

### At Least the Least

An agent-prospect skit, "At Least the Least," was presented by Maurice Koch and Robert Lauer, Cincinnati.

The following points were made:

Program selling at all times is a two-interview system. However, contrary to the usual course of a sale, the selling is done on the first interview. In that interview, if the prospect spends a sufficient amount of time with the agent and discusses his problems of minimum essential needs, he is definitely sold on his minimum. However, the solution of those problems is the agent's responsibility because he has the right solution. The first interview takes the prospect from the premium-paying end and puts him on the receiving-end of life insurance. He gets an entirely different conception of the insurance he now owns.

The second interview closes the sale. The prospect has committed himself to his needs on it. Review them with him and have him confirm each need again. Show him that his greatest need is more capital to produce income. The prospect realizes that though solvent during his earning years he may leave a bankrupt family. He is on the spot. What can he do but buy. It is not a suggestion of an agent, but a solution to a problem of his own choosing. It is not a question of should he buy another life insurance policy, but how much insurance must he buy!

In a talk on closing "Swing It," J. Vincent Talbot, Newark general agent, gave an exposition of ideas, that have worked for him in closing.

Westley Tuttle, Milwaukee, and Harold Kaufmann, Minneapolis, were chairmen of the session. Ernest H. Earley, Brooklyn, last year's "AA" prize win-

ner and runnerup this year, spoke on "Tomorrow Will Soon Be Yesterday." "Faith is the foundation of good morale," he said. "A little more persistence, more courage and effort, and what seems hopeless failure may turn to glorious success."

#### Six Common Characteristics

Perry Rohrer, Chicago, clinical psychologist, spoke on "The psychological difference between successful and unsuccessful life insurance salesmen," basing his talk on deductions made from actual cases analyzed over a period of years. Successful insurance men do not run in types, he said. However, they are individualistic. One man cannot ape the methods of another man and assume corresponding success. "Utopia" would be the combination of a good actuary and a successful salesman. This is seldom reached.

Successful agents, Mr. Rohrer said, have six qualities in common:

1. The ability to make rapid adjustments in the face of major difficulties.
2. Imagination. All men have some imagination. The important thing is to develop the ability to paint pictures with words.
3. Ability as a public speaker. With few exceptions, all men can develop their ability to speak in public.
4. A strong sense of humor. Develop the habit of relating a funny story or humorous incident each day.
5. An enriched and versatile vocabulary. Every vocation has a vocabulary of its own, and life insurance has a unique vocabulary.
6. The tendency to live in a friendly world. Friendliness is contagious and it lays down a barrage over which the sales arguments can march.

As customary, the climax of the program was the closing talk of the annual meeting by Grant L. Hill, director of agencies, who reviewed the highlights of remarks made by previous speakers and of the dramatizations and clinics.

## Northwestern Mutual Gathering

(CONTINUED FROM PAGE 1)

were presented and President M. J. Cleary gave his annual address to the field force.

Discussing the company's business for the first six months of 1939, and conditions at the end of that period, Mr. Cleary said every major factor has moved in a reasonably favorable direction, except that the rate of interest on new investments is disappointingly low. The volume of new business, while not all that one would like it to be, is in keeping with conditions of the times.

#### Cleary Reviews Investments

The total book value of the bond portfolio at June 30, 1939, was, in round figures, \$729,000,000, Mr. Cleary said. During the first six months of 1939, \$58,000,000, in round figures, was invested in bonds, \$50,000,000 of which went into municipal, utility and industrial bonds. The average maturity of all bonds purchased was 19¼ years, and the average yield to maturity of 3.20 percent. The investment in government bonds at the end of June was \$2,900,000 less than it was on Dec. 31. "We have no fear or criticism of government securities except that the available yield on them is discouragingly low and at least 1 percent below the yield we have been able to obtain on other securities for a similar maturity," Mr. Cleary pointed out.

During the first six months, \$12,445,494 of interest fell due on bonds that were not in default at Jan. 1 and every cent has been received in cash. There were no new defaults in the bond portfolio during the first six months. The only defaults outside of the railroad bonds are on the bonds of the province of Alberta in Canada.

Investment in farm and city mort-

gages shrank approximately \$500,000 in each classification in the first six months. There is an increase of approximately \$3,000,000 in residence mortgages. There were 148 farm sales approved during the first six months, sale price showing a gain of \$90,000 over the asset value at which these farms were carried. Farms owned decreased 109 during the six months' period.

General and administrative expenses for the six months were lower in 1939 than for the same six months of 1938 and materially lower than for the first six months of 1937.

Estimated mortality for the first six months of 1938 was 59.56 percent and for the first six months of 1939 it was 52.48 percent, or 7.08 percent lower. The importance of this is reflected in the fact that each point represents about \$400,000, Mr. Cleary said.

#### First Year Claims Dramatized

"The Postman Now Rings Twice" was the subject of a feature to demonstrate how completely life insurance performs even in cases where death is most untimely and premature. Four first-year death claims paid by the Northwestern Mutual were selected from over 60 submitted for consideration after a study of 2,378 first year death claims paid in the last 20 years. The agent who actually wrote the case narrated the story behind the sale, and the action was dramatized by a competent cast of players to a degree that brought the situation home in no uncertain terms. Lafin Jones of the agency department prepared and directed the dramatizations. The agents narrating their own cases were Irving Foss, Pontiac, Mich.; Glen Palmer, Yorkville, Ill.; A. H. Bullard, Wheeling, W. Va., and Russell D. Buss, Centerville, Ia. Various situations were presented to show how families and even businesses were taken care of financially after the death of the father, only because of life insurance which enabled the postman to ring not only once, but now twice.

#### Pays Tribute to Agent

There would not be in existence today 110 billions of life insurance in force in this country, paying benefits running up to 2½ billion dollars a year, if it were not for the work of the life insurance agent in persuading men to do today what every intelligent man knows he should do, but will otherwise postpone indefinitely, Percy Evans, vice-president and actuary, declared in his talk entitled "The Indispensable Agent."

Mr. Evans attended the 13th annual meeting of the association 50 years ago and he contrasted it with the present gathering. At the 13th meeting the competitive situation was the dominant subject in comparison to the present theme of service to the public. The broad benefits of life insurance service are immensely more potent than comparisons with competing companies, he said. In the early competitive days a large portion of new business was written in spite of rather than because of the sales tactics employed.

#### Associates Are Producing for Disabled Agent

A group of agents of Liberty Life of Topeka are selling insurance in Franklin county, Kan., this week and are turning the commissions over to Ralph Williams, Liberty Life agent who has been disabled for nearly two years as the result of an automobile accident. The activity is known as "Ralph Williams Week." A full page advertisement in the newspapers, containing a picture of Mr. Williams in bed, announced this unusual activity. The plan was formulated by Eber Johnson, general agent at Osage City and Roy C. Terrill, general agent at Ottawa. For three days after the accident Mr. Williams was confined to an iron lung in a hospital. His condition was desperate but he made a partial recovery. He is still paralyzed below his lungs. He was a successful agent for Liberty Life prior to the accident and

## Life Man Started Safe and Sane July Fourth Movement

The origination of the safe and sane Fourth of July movement, which is spread all over the country, was attributed by the Dayton (O.) "Journal-Herald" to W. O. Cord of that city, who for 19 years has been a leading representative of the Penn Mutual Life. This is the newspaper story:

"A little more than 30 years ago a youthful Dayton city councilman (aged 25, to be exact) visited Miami Valley Hospital and was impressed by the intense anguish caused the sick and injured by the continual din preceding the annual Fourth of July celebration. Although elected by a political party to a political office, young William Cord didn't expect much of a political future, and had long since decided to try to do what he thought needed doing, and hang the consequences.

"So he introduced a city ordinance prohibiting the sale and use of noisy and dangerous types of fireworks within the city limits. The hue and cry was immediate and intense. Newspapers played the story, and Cord was buttonholed on the street by merchants and angry fathers.

"'Whaddya mean, Bill, trying to pass a law that my kid can't celebrate the Fourth like I did when I was a kid? Why, you ain't even patriotic.'

"'Listen, Councilman Cord, I have \$500 tied up in fireworks. Are you trying to cost me money?'

"But young Cord stuck to his guns, and the ordinance was finally passed—making Dayton the first city in the United States prohibiting the use of fireworks on the Fourth of July. One concession was granted, however. The ordinance was not to take effect until July 5, 1909, thus giving merchants a chance to dispose of their stock, and for that year's crop of youths to make all the noise they pleased.

"Since that time, nearly every city in the country has followed Dayton's lead, using the Dayton ordinance as a guide."

## Braille Rate Data for Blind Agents

NEW YORK—Because there are comparatively few blind agents as compared with some years ago companies formerly issuing rate books in Braille have discontinued doing so. This has created a problem for sightless agents in keeping up with changing rates, cash values, and dividends.

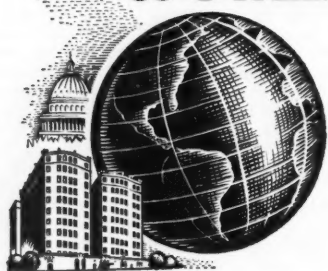
Agents needing Braille rate books, however, can have the essential information copied on sheets at small cost by applying to the American Red Cross, whose volunteer workers are glad to type the desired material in Braille, the only expense to the agent being the cost of the paper and the cover into which the sheets are bound. The procedure is to apply to the nearest chapter of the American Red Cross. If the chapter has no facilities for Braille work, it can readily refer the agent to the nearest chapter where the work can be done, or the agent can write to the New York chapter of the American Red Cross at 31 Lexington Avenue, New York City, where a great deal of Braille work is done.

The rate book data that is desired should be typed out before being sent to the Red Cross, as the workers have found it difficult to work direct from the rate book pages.

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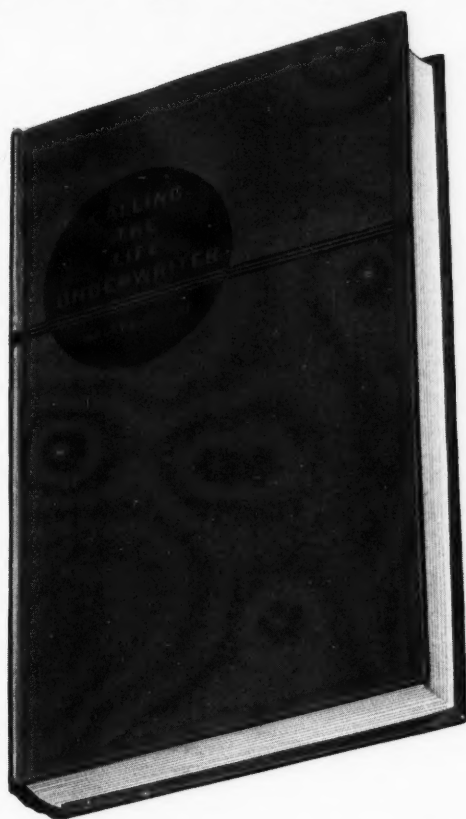
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Walter Cluff is a genuine educator backed by many years of experience—first with the rate book for a long time and more recently as home office training instructor and author of five well known educational books on life insurance. He knows very definitely what field men want and need—and how to present these things in a language easy-to-understand.

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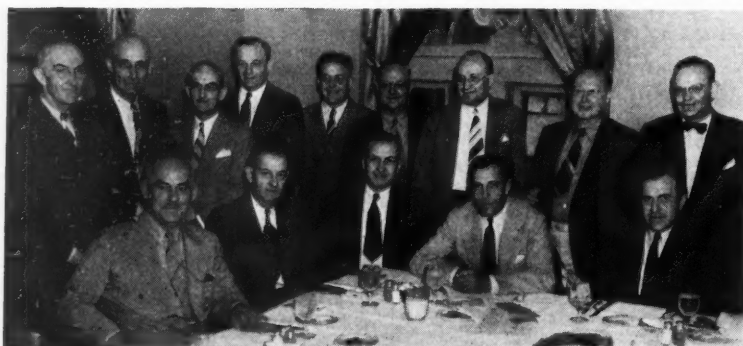
# LIFE VIEWS IN THE NEWS



This is the group behind the scenes that planned and managed the 63rd annual meeting of the Northwestern Mutual Association of Agents at the home office in Milwaukee this week. In other words, the standing committee was caught sitting down.

Left to right: L. C. Jones, agency assistant and author of dramatizations on the program; Douglas McLain, Springfield, Ill.; J. D. Walter of Chattanooga, Tenn.;

T. W. Tuttle, Milwaukee, secretary-treasurer of agents association; G. B. Buckley, Springfield, Mass., president; H. R. Kaufmann, Minneapolis, chairman; C. E. Smith, Chicago, vice president of the association; A. C. F. Finkbinder, Philadelphia; Bruce Gilmore, new general agent at Grand Rapids, Mich., and Wm. Ray Chapman, assistant director of agencies, representing company agency department in handling the program.



Twelve White & Odell "old-timers" (left), totaling among them 200 years of service to Northwestern National Life, gathered at luncheon in Minneapolis to honor one of their number, Otto W. Veth, whose app-a-week record of 18 years approaches an all-time high for the life insurance business. Each man in the group has been associated with the agency for 10 years or more. Four White & Odell men, with an aggregate of 66 years of consistent weekly production, hold the four topmost rankings in the company's App-A-Week Club and three of them, including Mr. Veth who heads the roster, are in this group. A. R. Hustad, twin cities manager, presided and Carl A. Peterson, supervisor of agencies, represented the home office in President O. J. Arnold's absence.

In the picture are (seated, left to right) J. J. Willinger, R. O. Vawter, F. S. Melvin, A. R. Hustad, Otto W. Veth, (standing) W. O. Westafer, David Ward, Rollo Wells, M. E. Larson, A. N. Larson, G. W. MacReynolds, Carl A. Peterson, John G. Martner, agency cashier, and Howard W. Yerxa.



Harry V. Wade, vice-president of American United Life, is program chairman for the annual convention of the Life Advertisers Association in Detroit Oct. 16-18.



A number of representatives of the Indianapolis Life located in or near Indianapolis are taking the advanced course in life underwriting at the company's offices. Seated from left to right around the table are: Julian W. Schwab; P. L. Sargent; Frank Dillon, Spiceland; F. E. Kortepeter; C. W. Raub; M. A. Kennedy, Noblesville; Francis D. Brosnan, assistant agency manager, who is in general charge of the class; A. W. Leeb, E. C. McGriff, C. O. Martin, D. R. Johnson, W. D. Bassett and George W. Anawalt. Harry M. Fleener, Indianapolis, who is taking the course, Doyle Zaring, agency secretary, and Newell C. Munson, associate counsel, both of whom assisted in the instructions, were away when this picture was taken.

This group is meeting weekly for 30 weeks and is now about half way through the schedule. When this picture was taken they were reviewing their work on sole proprietorship, partnership and corporation insurance and getting ready for problems in estate protection. All are experienced men in the business.